



19-20

ANNUAL
REPORT



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Forward-looking Statements

This Annual Report contain statements about expected future events and financial and operating results of Prabhat Group, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Do not place undue reliance on forward-looking statements as a number of factors could cause assumptions and actual future results or events to differ materially from those expressed in these forward-looking statements.

"Prabhat Group" or "Prabhat" or "the Company" includes reference to Prabhat Dairy Ltd. and its subsidiaries viz. Cheese Land Agri (India) Pvt. Ltd. and Shrirampur Agri Solutions Private Limited.

Corporate Information

Board of Directors

Mr. Sarangdhar R. Nirmal

Chairman & Managing Director

Mr. Vivek S. Nirmal

Joint Managing Director

Mr. Vaibhav Parjane

Independent Director

Dr. Bhaskar Gaikwad

Independent Director

Mr. Abdul Samad

Independent Director

Ms. Richa Ahuja

Independent Director

Chief Financial Officer

Mr. Vishwajit Indrajit Singh

Company Secretary & Compliance Officer

Ms. Dipti Todkar

E-mail: dipti.todkar@prabhat-india.in

Auditors

KSS & Company

Chartered Accountants

A-101, Ingale Arcade,

Sarjepura, Ahmednagar - 414001

Members of Audit Committee

Mr. Vivek Nirmal

Mr. Vaibhav Parjane - Chairman

Dr. Bhaskar Gaikwad

Members of CSR Committee

Mr. Vaibhav Parjane

Dr. Bhaskar Gaikwad - Chairman

Dr. Abdul Samad

Mr. Sarangdhar Nirmal

Stakeholders' Relationship Committee

Mr. Vivek Nirmal

Mr. Sarangdhar Nirmal

Mr. Vaibhav Parjane- Chairman

Nomination & Remuneration Committee

Mr. Vaibhav Parjane

Dr. Bhaskar Gaikwad - Chairman

Dr. Abdul Samad

Mr. Sarangdhar Nirmal

Registrar & Share Transfer Agents

KFin Technologies Private Limited
Selenium, Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500032
Tel. No. : +91- 40-67161517

Registered & Corporate office

Gat No. 122, At

Ranjankhol, TalukaRahata,

Dist. Ahmednagar – 413720

Tel. no.: +91 2422 265995

Corporate Identification Number (CIN)

L01100PN1998PLC013068

Website:

www.prabhat-india.in

Wholly Owned Subsidiaries

Cheese Land Agro (India) Private Limited

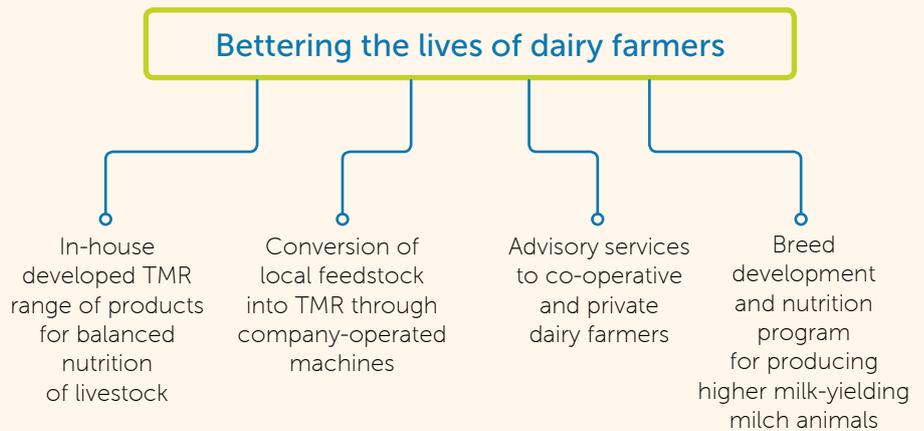
Shrirampur Agri Solutions Private Limited



About Us

Prabhat Dairy Limited is a leading provider of animal feed solutions in India. Our offerings include compound cattle feed and formulated Total Mix Ration (TMR) products sold under the brand name Annapurna. We also provide advisory services in animal husbandry, including breed development and artificial insemination programs.

Our industry experience spans two decades during which we have fostered relationships with over one lakh dairy farmers. Leveraging our wide association and high-quality products and services, we aim to improve animal health and ensure the breeding of healthier and superior yielding livestock for the benefit of the farming community.



Message from the Chairman and Managing Director



Dear Shareholders,

Prabhat continues to move ahead in its transition journey from a dairy products manufacturer to an entity that meets the needs of dairy farmers through cattle feed solutions and animal husbandry services, it is my pleasure to present the Annual Report of our Company for the financial year 2019-20.

The external environment has been challenging on several fronts during the year under review. With our products and services serving India's farming community, a subdued 2.9% growth by agriculture and allied sectors in FY 2019-20, thereby impacting farmers' income, particularly dampened the demand for our offerings. The onset of the COVID-19 pandemic in March further disrupted our operations as the health crisis dipped milk prices. This resulted in reduced cash flow for milk-producing farmers with ramifications on the demand for cattle feed. With gradual normalization of the economy, our business activities have been stepped up and streamlined, while adhering to strict safety measures.

At Prabhat, we bring to the forefront two decades of experience and expertise in the dairy sector. By leveraging our deep domain knowledge and strong farmer relationships, our focus is to empower the farming community through high-quality products and advanced solutions. An important development in this regard is the launch of our Calf Nutrition Project. This is a breed development and nutrition program in partnership with around 10,000 farmers. These farmers will be extended full support for producing higher milk-yielding milch animals with the help of high-quality artificial



An important development in this regard is the launch of our Calf Nutrition Project. This is a breed development and nutrition program in partnership with around 10,000 farmers.

insemination services and balanced cattle nutrition through TMR (Total Mixed Ration) products. Spread over three years, the project has escalated our current expenditure due to spends on cattle breeding and nutrition. The returns will start yielding in the second phase as such projects take time for realizing an outcome.

The growing importance of the livestock industry within the agriculture eco-system and the increasing demand for better quality dairy products and meat driven by rising per-capita income augur well for the growth of the animal feed industry. Aligned with the focus on enhancing the lives of farmers, the government has consistently implemented several

pro-farmer initiatives including Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY) and Direct Cash Benefit Transfer. The recently undertaken landmark agricultural reforms freeing farmers from the restrictions on sale of their produce also have the potential to catalyze the sector and boost the rural economy. Together, these targeted measures should incentivize the demand for agricultural inputs, including animal nutrition products.

Notwithstanding the long-term fundamentals, the year ahead is unlikely to be business as usual. With overall indications that economic

growth will remain muted and the operating environment uncertain, we will be navigating challenging times. Amidst this turbulent period, our focus will be on drawing upon our experience to respond with alacrity to the evolving situation and stay resilient.

I would like to end by thanking all our employees for their continued hard work, to the farmers for placing their trust in us and our products, and all other stakeholders for their patience and support during this period of transition. Wish you all good health.

Regards,

Sarangdhar R. Nirmal

Chairman & Managing Director



Management Discussion and Analysis

Economic Review

Global Economy

The global economy witnessed a broad-based slowdown during Calendar Year (CY) 2019, delivering a gross domestic product (GDP) growth of 2.9%, lower than 3.6% in CY 2018. The subdued growth has been primarily attributed to elevated trade tensions between the United States and China, geopolitical uncertainties around Brexit, weather-related disasters in Australia, and country-specific shocks in the emerging economies that weighed on consumption demand. The slowdown was further aggravated by the outbreak of the Novel Coronavirus (COVID-19) pandemic that hit the globe towards the end of CY 2019. It forced major economies to impose stringent lockdowns in their countries to curb the spread of the virus, severely impacting global business and economic activities. To revive the economic growth, the governments and central banks across the world have announced sizable fiscal and monetary stimulus and relief packages.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOupdateJune2020>

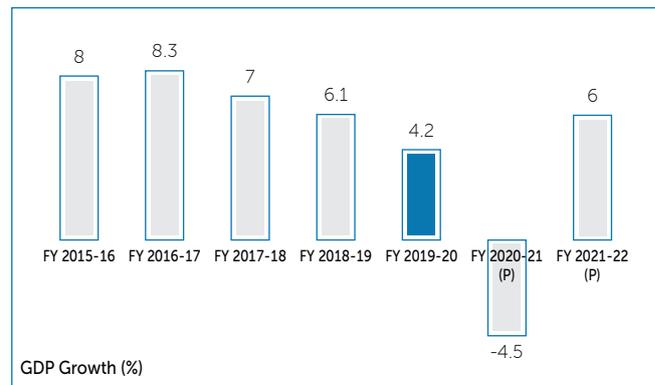
The International Monetary Fund (IMF) has projected global economic growth to decline by 4.9% in CY 2020, considering the higher-than-anticipated negative impact of the COVID-19 in the first half of CY 2020. However, it has projected the global economy to recover in CY 2021 and deliver growth of 5.4%, provided the virus is successfully contained and global business activities resume to pre-COVID levels.

Indian Economy

In line with global slowdown and internal factors, the Indian economy registered a lower GDP growth of 4.2% in FY 2019-20, against 6.1% in FY 2018-19. As per the 'Economic Survey Report 2020', the growth rate in agriculture and allied

sectors in FY 2019-20 remained stagnated at 2.9%, impacting farmers' income levels and raising rural unemployment rates. This, coupled with constrained lending conditions, resulted in a sharp contraction in rural consumption demand. On the supply side, fresh private investments slowed down in the backdrop of low capacity utilization, weakening corporate profits, and infrastructure bottlenecks, weighing on investor sentiments.

India's GDP Growth (%)



Source: International Monetary Fund, P: Projected

To trigger the country's languishing economic activity, the Government announced several progressive initiatives during the year. These included liberalizing sectors to attract foreign direct investments, upfront capital infusion in the public banking system to ease out liquidity strain, and reducing corporate tax rates to revive private investments. However, the COVID-19 outbreak towards the fag-end of FY 2019-20 disrupted the country's manufacturing activity, supply chains, and logistics and posed severe health and economic crisis.

Amidst these testing times, the government has launched 'Atmanirbhar Bharat' movement through which it announced ₹ 20 lakh crore stimulus package to tackle the pandemic. It includes a host of relief packages to the marginalized population, farmers, and health workers and provides significant liquidity to banking and micro, small, and medium enterprises (MSMEs) sectors. The Reserve Bank of India (RBI) had earlier reduced repo and reverse repo rate to 5.15% and 4.9% respectively by February 2020 in an attempt to revamp the country's growth momentum back to its earlier growth trajectory. Furthermore, it maintained an accommodative stance during the pandemic breakout as well and brought repo and reverse repo rates down to 4% and 3.75% respectively. While the repo rate of 4% will encourage banks to lend to critical sectors of the economy, the reverse repo rate at 3.75% will discourage them from parking the funds back with the central bank.

Outlook

Factoring in the impact of COVID-19 and anticipating a slow economic recovery, the IMF projects the country's GDP to decline by 4.5% in FY 2020-21. However, it projects a growth of 6% in FY 2021-22, considering a gradual unwinding of nationwide lockdown, strong policy support of the government, and favorable international crude oil prices.

The agriculture sector is expected to deliver an encouraging growth in FY 2020-21, with the forecast of a normal monsoon in CY 2020 at 102% of the long-period average (LPA). This will be well complemented by the government's landmark reforms to de-regularize and liberalize the agriculture sector which will significantly improve the rural economy of the country. Additionally, the government's pro-farmer initiatives such as the Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY), Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), and the Direct Cash Benefit Transfer will enable it to double farmers' income by FY 2022 and will further boost India's GDP.

Industry Overview

Agriculture Sector

India's agriculture continues to be the largest source of livelihood for about 58% of the country's population, even as its contribution to the Gross Value Added (GVA) is consistently declining. In FY 2019-20, GVA by agriculture, forestry and fishing cumulatively registered a growth of 4% and was estimated to be ~₹ 19.48 trillion, as against ₹ 18.55 trillion in FY 2019.

Recognizing its role in achieving inclusive economic development of the country, the government has been proactively providing growth impetus to the agricultural sector. It announced several pro-farmer initiatives during

the year such as PM KUSUM scheme, funding for efficient warehouses, and strengthening national cold and perishable supply chains to aid farmers' income.

Growing contribution of the livestock sector

The livestock industry, allied to the agricultural sector, plays an important role in the socio-economic development of India's rural economy. It contributes ~6% to the country's GDP and ~25% to the agricultural GDP. The industry stands second largest globally in terms of livestock population which stood at 192.49 million in 2019 and exhibited a year-on-year growth of 0.8%. It has been increasingly contributing more to the agricultural GDP on account of the growing demand for livestock products in proportion to the rapidly growing population, urbanization, and income levels in the country. Considering its potential in enhancing farmers' incomes, the government has been undertaking various schemes and initiatives to promote higher and healthier development of livestock. These include the National Livestock Mission (NLM), Rashtriya Pashudhan Vikas Yojana, and the Dairy Processing and Infrastructure Development Fund, among others.

Animal Feed Industry

India's animal feed industry is one of the largest in the world and was valued at ₹ 400.5 billion in 2018. Animal feed, which primarily includes poultry, cattle, and aqua feed, plays a critical role in maintaining the overall health of animals and improving the yield and quality of various end-products such as eggs, meat and milk. The traditional feed primarily includes various raw, processed and semi-processed products such as pasture grasses, cereal grains, as well as by-products of certain food crops. However, with rising farmer awareness, the industry is witnessing an increasing adoption of modern and highly-nutritional animal feed products to achieve superior dairy and meat yield. Furthermore, the government initiatives such as Animal Husbandry Infrastructure Development Fund and Dairy Infrastructure Development Fund (DIDF) is incentivizing increasing capital investments by private players in the industry, providing ample growth opportunities in the long term.

Cattle Feed market

India is the world's leading milk producer and possesses one of the largest cattle stock in the world. Backed by the government's ambitious plan to double its milk-producing capacity by 2025, the industry for cattle livestock is expected to grow significantly in the coming years. This also triggers increased demand for nutritious cattle feed for better yielding cows. Additionally, with the increasing shift in food requirement from carbohydrates to protein, demand for animal protein has surged in India and abroad. This, coupled with shrinkage of open land for cattle grazing, shortage of conventionally used feeds, and new-generation high-yield



breeds present the need for a specialized feed and have created significant growth potential for the industry.

Total Mix Ration (TMR)

Total Mix Ration (TMR) is nutritionally dense animal feed produced by homogenizing mixture of good quality forages, grains, conventional feed concentrates, protein supplements, vitamins, and minerals. It ensures nutrient-balanced ration to the animals in each bite, enhancing their health while facilitating farmers in achieving superior yield. Furthermore, by scientifically and judiciously utilizing crop residues, agri by-products and conventional feed concentrates, TMR supports farmers in cultivating and sustaining livestock farming economically.

Some of the prime benefits of using TMR include:

- Increasing yield and quality of milk and meat, providing farmers with higher revenue generation opportunities
- Improving cattle fertility and reproduction activity and ensuring good health and overall physical condition of animals
- Reducing labor costs due to lower workload of feeding, thereby supporting farmers in achieving better profitability
- Facilitating feeding of exact amounts of nutrient requirements through completely blended feeds ensuring optimum utilization of feed resources
- Facilitating customized and controlled feeding, depending on cows' particular stage of lactation and level of milk yield, resulting in the more productive use of feed resources

With rising urbanization, decreased allocation of land for fodder, and rising demand for dairy and meat products, increasing yield per animal has become imperative. However, with a lack of awareness of TMR's benefits, its penetration in the country stands lower than the global averages. Incidentally, lower consumption levels, rising farmer awareness, the rising dominance of organized dairy sector, and the government's supportive policy measures to increase milk productivity are expected to create higher and sustained demand for TMR products moving ahead.

Key growth drivers of the cattle industry

India being an agrarian economy

The agriculture sector engages ~70% of India's rural population. Livestock farming is its important allied industry, which facilitates superior income generation. This positively influences farmers as they are increasingly focusing on

cultivating more livestock, triggering demand for animal feed products.

Increasing per capita dairy and meat consumption

India's increasing population and income levels, coupled with improved health consciousness and willingness to pay more for nutritionally rich products, have been shifting the dietary habits of the inhabitants. This is resulting in a rising per capita consumption of dairy and meat products, and paving the way for the growth of superior quality and nutritionally dense animal feed to increase yield per animal.

Rising farmer awareness about cattle health

Backed by the government and private institutions' awareness programs, farmers are increasingly adopting better feed practices. They are preferring balanced and nutritional feed over traditional fodder to achieve higher and sustainable milk yield while maintaining the health of the animals.

Government support and initiatives

The government is aiming to achieve enhanced livestock production. It has launched an Animal Husbandry Infrastructure Development Fund of ₹ 15,000 crore, National Animal Disease Control Programme, and subvention of up to 3% to private players for setting up of dairy, poultry and meat processing units. Furthermore, it has developed an e-Pashu Haat portal and extended livestock insurance to encourage more livestock breeding. This presents an important growth driver for the feed industry.

Increasing overseas demand

India with its geographic location and abundant livestock has become one of the leading meat exporters in the world. The demand for Indian buffalo meat in the international market has sparked in recent years, encouraging higher buffalo production. In addition, the government is boosting dairy and meat exports from the country which is incentivizing farmers to increase yield by adopting superior animal feed.

A shift from unorganized to organized

Organized players in the animal feed market are increasingly leveraging research-driven, modern, and sophisticated methods to manufacture compound cattle feed. This is manufactured by blending suitable feed ingredients and is a palatable source of nutrients for growing, adult, and milk-producing animals. With the added benefit of optimized cost of milk production and superior profitability, farmers increasingly prefer compound cattle feed over age-old feeding products.

Furthermore, the organized players are manufacturing branding packaged feed products that provide several benefits such as improved nutrition, hygiene, quality, and convenience

to handle. These efforts are yielding good results as the industry witnesses a structural shift from the fragmented and unorganized players to the organized market.

Outlook

The animal feed industry enjoys structural growth drivers such as rising prominence of the livestock industry in the overall agriculture sector, increasing demand for better quality dairy products and meat, and government's support to increase livestock production. In the backdrop of these attributes, the industry is well poised to grow at an estimated rate of 14.3% compounded during FY 2019-24 to reach ₹ 898.5 billion by 2024, as per the report by Research and Markets.

Company Overview

Prabhat Dairy Limited (the Company) is one of the leading providers of animal feed solutions and sells its products under the Annapurna brand. It focuses on compound cattle feed and supplies formulated Total Mix Ration (TMR) products and services to dairy farmers. These products play a critical role in improving animal health, enhancing milk production yield, and its nutritional value, which enables the farmers to earn superior incomes.

The Company also provides advisory services in animal husbandry and has extended its scope of operations to breed development and artificial insemination programs and ensures breeding of healthier and superior yielding livestock.

Product portfolio and Service offerings

Total Mix Ration TMR

The Company supplies in-house TMR range of products to farmers. Additionally, it rents TMR machines in the regions of Solapur, Pune and Ahmednagar. These machines convert local feedstock into TMR and aid farmers in achieving higher milk yield.

Extension Services

The Company provides advisory services to co-operative and private dairy farmers to improve their understanding of modern feed practices and achieve superior livestock production. This includes artificial insemination services and yield enhancement through the use of suitable feed products. This assists farmers in generating higher income by cultivating better yielding livestock while maintaining their health.

Breed Development and Nutrition Program

The Company has initiated a breed development and nutrition program under the name 'Calf Nutrition Project'/'Lakh Molachi Kalvat' (which means a calf having the potential to provide significant value). The program facilitates farmers in breeding a healthy calf through artificial insemination

services, thereby enabling him to avoid the purchase of an expensive animal and achieve save on cost. The Company further provides high-quality cattle feed to improve health and yield of the livestock born under the program.

Artificial Insemination

During the year, the Company started its Artificial Insemination program which has been implemented in the regions of Solapur, Pune, and Ahmednagar on the livestock owned by ~10,000 farmers. The Company has a highly qualified artificial insemination team and veterinary doctors who ensure superior yield potential of the next generation breed. The company has also tied-up with leading organizations for semen supply and has built high-tech modules to capture relevant data regarding the breeding activity. The Company also provides high-quality animal feed in the early stages of newborn calves to improve their health and ensure them to achieve the better yield, when they enter the milking stage.

Strengths and Opportunities

Key Strengths of the Company

- High-quality and value-added products
- Expertise in breeding and artificial insemination procedures, backed by a highly qualified team of veterinary doctors and nutritionists
- A wide customer base of dairy farmers and a strong customer connect developed over the years
- Focus on deepening sales and distribution network

Future Growth Opportunities

- Growing addressable market with rising preference to nutritional dairy products, triggering demand for superior and compound cattle feed
- Increasing demand for higher yield animals, and subsequently nourishing animal feed, due to declining grazing lands
- Increased focus of farmers on sustaining animal health, along with achieving superior yield, by adopting balanced nutrition and advanced cattle feed
- Rising demand for animal feed in the export markets

Financial Overview

The Company's financial performance has been deliberated in the Directors' Report.

Key financial ratios as per SEBI's notification regarding Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018.



Key financial ratios (Standalone)

Particulars	FY 2019-20	FY 2018-19
Debtors Turnover (in Days)	68.59	2.56
Inventory Turnover (in Days)	0.60	1.32
Interest Coverage Ratio	-	-
Current Ratio	1.27	1.73
Debt to Equity Ratio	-	-
Operating Profit Margin (%)	-23%	4%
Net Profit Margin (%)	-24.4%	2.60%

Threats, Risks & Concerns

The Company faces internal as well as external risks that may materially impact its operational and financial performance. It has established a robust and comprehensive risk management framework that identifies and regularly monitors these risks and initiates prompt mitigating measures as deemed necessary. This helps the Company in maintaining the smooth flow of its operational activities, executing growth strategies, and safeguarding its profitability. A few of the risks and the mitigating measures are articulated below:

a. Unfavorable impact of weather and climate changes

Extreme weather conditions such as drought, flood and other natural disasters may materially impact income levels of the Company's end consumers. This may force them to defer buying the Company's products and other services and may curtail its revenue growth significantly. Additionally, natural disasters may also disrupt the quality of the raw material and its availability at competitive rates, impacting the Company's profitability.

Mitigation Strategy

Over the last two decades, the company has firmly established its roots with the farmer communities by providing the best quality products and proactive farmer support through various programs. This has earned the Company significant farmer trust and goodwill which provide resilience to its business operations. This coupled with geographical diversification helps the Company in mitigating the impact of natural disasters to a certain extent.

b. Raw material risk

The Company's cattle feed products are manufactured by blending multiple nutritious concentrates. Hence, the steady supply of key raw materials in adequate quantities, quality, and at competitive costs is imperative. However, factors beyond the Company's control such as broad-based economic

slowdown, lower farmer income, lower market demand, and unfavorable logistics costs may materially influence price, quality, and availability of the raw material, impacting the Company's operational and financial performance.

Mitigation Strategy

The Company has established an extensive network of suppliers by leveraging its deep connect with the farmers, ensuring diversified sourcing of key raw materials. Furthermore, the Company facilitates farmers in converting their local feedstock to TMR by renting out processing machines at farm location itself. This further lowers its raw material risk.

c. Increasing competitive intensity

The animal feed industry continues to be largely unorganized and fragmented with low levels of regulatory control, lower deployment of technology and lower capital requirement. Owing to these factors, the Company operates in an industry exhibiting low entry barriers and thus faces the threat of new entrants and risk of intense competition.

Mitigation Strategy

The Company has developed and nurtured long-standing relationships with a huge base of dairy farmers by supplying high-value products and services for more than two decades. Secondly, it has established an extensive supply chain and distribution reach which is not easy to replicate. Thirdly, the Company continues to invest in developing modern, advanced, and innovative products by leveraging its technological prowess and sophisticated manufacturing capacities. These attributes cumulatively provide a distinctive competitive edge to the Company and assist in staying off competition to a large extent.

Material Developments in Human Resources / Industrial Relations Front, including Number of People Employed

The Company acknowledges the importance of a critical role that human resources play in successfully executing its long-term business strategies and achieving its growth objectives. It provides a safe, conducive, and productive work environment and promotes growth opportunities based on meritocracy. This, in turn, helps it in superior talent acquisition and engagement, thereby building a strong and dedicated workforce. The Company's employee-friendly HR policies ensure trust, transparency, and sense of teamwork amongst its employees while promoting a culture of innovation to stay relevant amidst the rapidly-evolving business environment.

The Company conducts multiple internal trainings and development workshops to enhance the skill set of its employees and to keep them upgraded with the latest information and technologies. To enhance employee productivity and efficiency, the Company provides performance-based rewards. It achieves superior engagement and retention levels by providing unbiased growth opportunities to employees doing excellent work and contributing significantly to the Company's long-term objectives. It also ensures equal access to these opportunities regardless of their gender, age, racial/ethnic background, religion or social status.

As on 31st March 2020, employee strength of the Company stood at 56.

Internal Control Systems and Their Adequacy

The Company has adequate and well-defined internal control systems in place for all its operational and financial functions. Its comprehensive documentation system ensures proper maintenance of accounting records, reliable

financial reporting, and compliance with applicable laws. Additionally, its well-defined authorization and approval procedures safeguard assets against any unauthorized use or disposition. The internal controls are reviewed periodically by internal auditors and the management team, ensuring timely compliance with regulations and accurate monitoring of its adequacy.

Cautionary Statement

The Management Discussion and Analysis contains statements describing the Company's objectives, projections, estimates and expectations, which may be forward-looking in nature. These statements are made within the meaning of applicable laws and regulations and are based on informed judgements and estimates. There cannot be any guarantee of previous performance continuity as future performance also involves risks and uncertainties. These may include but are not limited to the general market, macroeconomic, interest rates movements, competitive pressures, technological and legislative developments, and other key factors that may affect the Company's business and financial performance.

Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty-Second Annual Report on the business and operations of the Company together with the Audited Financial Statements of your Company for the year ended March 31, 2020.

1. Corporate Overview

Prabhat Dairy Limited ("Your Company" or "The Company") is a leading and consistently growing Indian Company which has started its identity and continued having a strong long term association with leading institutional clientele and now over years making its niche under its own brand with consumers. Prabhat has its facilities at Shrirampur, Dist, Ahmednagar and corporate office at Sea woods, Navi Mumbai.

2. Financial Results (Standalone and Consolidated)

A summary of the Company's Financial Results for the Financial Year 2019-20 is as under:

(Amount – INR In Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from Operations	49,160.11	7,153.54	53,308.91	23,872.13
Other Income	3,021.73	-	5,988.06	0.38
Total Income	52,181.84	7,153.54	59,296.97	23,872.51
Total Expenses	63,351.57	6,870.14	67,927.35	23,602.43
EBITDA	-11,169.73	283.4	-8,630.38	270.08
Depreciation and Amortisation	20.12	-	20.12	-
EBIT	-11,189.85	283.4	-8,650.50	270.08
Interest and Finance Cost	29.88	-	29.88	9
EBT (before exceptional item)	-11,219.73	283.4	-8,680.38	261.08
PBT	-11,219.73	283.4	-8,680.38	261.08
Taxes	791.54	95.83	2,237.83	265.13
Profit / (Loss) for year from continuing operations	-12,011.27	187.57	-10,918.20	-4.05
Profit/ (Loss) before tax from discontinued operations	-	277.38	-	3,814.58
Tax expenses of discontinued operations	-	200.3	-	1,074.96
Profit/ (Loss) for the year from discontinued operations	-	477.68	-	4,889.54
Net Profit/ (Loss) for the year	-12,011.27	665.25	-10,918.20	4885.49
Other comprehensive income (net of tax) from discontinued operations	-	26.49	-	31.11
Total comprehensive income (10 + 11)	-12,011.27	691.74	-10,918.20	4916.6
Earnings per share (of ₹ 10 each) (not annualised):	-12.30	0.71	-11.18	5.03
From continuing and discontinuing operation (₹)				

3. Financial Performance

Your Company reported revenue from operations on a standalone basis of INR 49,160.11 Lakhs compared with INR 7,153.54 Lakhs in the previous year. The Company has classified all its assets & liabilities of the dairy business as "Held for sale" w.e.f. January 21, 2020 as per the requirements of Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Since, the Fair value is greater than carrying value less cost to sell, the assets held for sale are carried at their respective book values. The company has not depreciated or amortised non-current assets held for sale as per the requirements of IND AS 105.

Similarly, the Company has disclosed a single amount in the statement of profit and loss comprising the total of the post-tax profit or loss of discontinued operations separately from the results from continuing operations as per the requirements of IND AS 105. Moreover, the Company has also re-presented the above disclosures for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

4. Material Changes and Commitments

1. The Company has, along with its wholly owned subsidiary Cheese Land Agro (India) Private Limited, sold entire of its investment in shares of Sunfresh Agro Industries Private Limited to Tirumala Milk Products Private Limited by entering into Share Purchase Agreement ("SPA") dated 21st January, 2019. Also, the company has sold its dairy business to Sunfresh Agro Industries Private Limited on slump sale basis by entering into Business Transfer Agreement ("BTA") dated 21st January, 2019. The total consideration received is to the extent of ₹ 131,673.76 lakhs. The net debt and transaction costs have been settled. The adjustments for working capital and minimum non-current asset level adjustment and fulfilment of other conditions pursuant to contract are under progress.
2. The promoters of the Company decided to voluntarily delist the Company from the stock exchanges. The Company has received approval of 99.13% of the public shareholders approval for the delisting of the shares. In December, 2019 the Company applied to the stock exchanges for the in-principal approval for delisting of equity shares. Certain queries were raised by the exchanges/ SEBI which were duly satisfied by the Company.

To get further clarity in giving the comments on In-Principle approval, SEBI has commenced a Forensic Audit.

5. Dividend And Reserves

Your Directors do not recommend any dividend for the year 2019-20 nor do they propose for transfer of any amount towards reserves.

6. Share Capital

The paid up equity share capital as at March 31, 2020 stood at INR 9767.61 Lakhs. During the year under review, there was no public, rights, preferential or bonus issue. Also, the Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

7. Finance and Accounts

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020.

8. Performance of Subsidiary Companies

As on March 31, 2020, your Company has the following 2 subsidiaries:

1. Cheese Land Agro (India) Private Limited
2. Shrirampur Agri Solutions Private Limited (incorporated on 30.03.2020)

The Company does not have any associate or joint venture company.

Safe and Clean Foods Private Limited, a wholly owned subsidiary Company of Cheese Land Agro (India) Private Limited is incorporated on 11.04.2020.(step-down wholly owned subsidiary).

Shrirampur Agri Solutions Private Limited and Safe and Clean Foods Private Limited has not commenced any business activity till date.



The Company with Cheese Land Agro (India) Private Limited had filed an application for merger under Section 233 of Companies Act, 2013. However scheme of Amalgamation and Arrangement involving merger of Cheese Land Agro (India) Private Limited with Prabhat Dairy Limited in accordance with the Section 233 of the Companies Act, 2013 was not approved by Hon'ble Regional Director of Western Zone and had advised to file a fresh application with National Company Law Tribunal (NCLT). The Board of directors of Prabhat Dairy Limited at its meeting held on 14th February, 2020 had considered and approved the Scheme of Amalgamation (Merger by Absorption) ('Scheme') of Cheese Land Agro (India) Private Limited ('Cheese Land' or 'Transferor Company') with Prabhat Dairy Limited ('PDL' or 'Transferee Company') and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed there under. The Company has filed an application / petition with NCLT and final hearing of the said petition has not yet done.

There has not been any material change in the nature of the business of the subsidiary.

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Consolidated Financial Statements of your Company and all its subsidiaries are provided in this Annual Report.

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and shown the financial resources, assets, liabilities, income, profits and other details of your Company and its subsidiaries as a single entity. Since the subsidiaries are wholly owned subsidiaries, there has been no minority interest. The particulars of subsidiaries as on March 31, 2020 have been included in AOC-1 which is annexed to this **Report as Annexure -1**. The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report. The performance and financial position of subsidiaries included in the Consolidated Financial Statements is provided in accordance with the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules,

2014 as a separate statement annexed to the Notes on Accounts containing the salient features of the financial statements of the Company's subsidiaries in Form AOC -1 and forms an integral part of this Report.

The Company will make available separate audited financial statements of the subsidiaries to any member upon request. These documents / details are available on the Company's website at www.prabhat-india.in and will also be available for inspection by any Member of the Company at its registered office.

The policy for determining material subsidiaries formulated by the Board of Directors is disclosed on the Company's website and is accessible on <http://www.prabhat-india.in/InvestorDesk>.

9. Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

10. Corporate Governance

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

11. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure – 2** and forms an integral part of this Report.

12. Directors and Key Managerial Personnel

On 29th February, 2020 tenure of Mr. Sarangdhar Nirmal as Chairman and Managing Director and Mr. Vivek Nirmal as Joint Managing Director ceased. Based on the recommendation of Nomination and Remuneration Committee, Mr Sarangdhar Nirmal was reappointed as Chairman and Managing Director and Mr. Vivek Nirmal as Joint Managing Director for a period of 3 years w.e.f. 1st March, 2020. During the year under review, members at the extra ordinary general meeting held on 29th May, 2019, Dr. Bhaskar Gaikwad, Dr. Abdul Samad and Mr. Vaibhav Parjane were appointed as non-executive directors. Based on the recommendation of the Nomination and Remuneration Committee, the

Board of Directors designated Dr. Bhaskar Gaikwad, Dr. Abdul Samad and Mr. Vaibhav Parjane as Independent Directors for a term of 5 years which were duly approved by the shareholders at the annual general meeting held on 30th September, 2019. The term of 3 years of Mr. Rajesh Srivastava and Mr. B. Soundararajan as Independent Directors ceased on 30th September, 2019. Further the term of 3 years of Mrs. Seemantinee Khot and Mr. Ashok Sinha as Independent Directors ceased on 8th March, 2020. Mr. Anoop Krishna, an independent director of the Company resigned w.e.f. 11th November, 2019 as director of the Company.

The Board places on record its sincere appreciation for the commendable services and guidance rendered by Mr. Rajesh Srivastava, Mr. B. Soundararajan, Mr. Anoop Krishna, Mrs. Seemantinee Khot and Mr. Ashok Sinha as Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also none of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

The Company has formulated a policy on 'Familiarisation Programme for Independent Directors' which is available on the Company's website at www.prabhat-india.in/InvestorDesk.

Mr. Raviraj Vahadane ceased as Chief Financial Officer of the Company w.e.f. 26th August, 2019 and in his place Mr. Vishwajit Singh is appointed as Chief Financial Officer w.e.f. 16th March, 2020.

The term of Ms. Seemantinee Khot, a woman Independent director and Mr. Ashok Sinha Independent Director of the Company ceased w.e.f. 8th March, 2020. Hence the board strength reduce to 5 directors which is below the required limit of 6 directors specified under provision of Regulation 17(1)(c) of SEBI (LODR), 2015 for the period 08.03.2020 to 31.03.2020. Further provision of regulation 17 (1) (a) of SEBI (LODR), 2015 states that a Woman Independent director shall be on the Board. The position of the Woman Independent director remains vacant due to the cessation of term of Ms. Seemantinee Khot from 08.03.2020.

The management was in process of selection of the right candidature for the position of Woman Independent Director. Due to the pandemic

Covid -19 and nationwide lockdown, the Company faced challenges for the appointment of Woman Independent director. On the recommendation of Nomination and Remuneration Committee, Board of Directors by passing a resolution by circulation on 24th September, 2020 appointed Ms. Richa Ahuja as Woman Independent Director (Additional Director) who shall hold office till the conclusion of the ensuing annual general meeting.

13. Number of Meetings of the Board

A calendar of meetings is prepared and circulated in advance to the Directors. The details of the number of meetings of the Board of Directors held during the financial year 2019-20 forms part of the Corporate Governance Report.

14. Secretarial Standards

The Company complies with all the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

15. Key Managerial Personnel

The following are the Key Managerial Personnel of the Company:

- (a) Mr. Sarangdhar R. Nirmal, Chairman and Managing Director
- (b) Mr. Vivek S. Nirmal, Joint Managing Director
- (c) Mr. Raviraj Vahadane, Chief Financial Officer (upto 26th August 2019)
- (d) Mr. Vishwajit Indrajit Singh, Chief Financial Officer (w.e.f 16th March 2020)
- (e) Ms. Dipti Todkar, Company Secretary

16. Committees of the Board

The Board of Directors has the following Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Transaction Committee

The details of the statutory Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

17. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the 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 performance evaluation of the Independent Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

18. Particulars of Loans, Guarantees or Investments by the Company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

19. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named 'Whistle Blower Policy' to deal with instances of fraud, mismanagement, etc. and provides an opportunity to the employees and Directors of the Company to report genuine concerns or grievances for redressal. The Whistle Blower Policy has been posted on the website of the Company viz. www.prabhat-india.in/InvestorDesk. During the year under review no complaint was received by your company under the vigil mechanism.

20. Nomination and Remuneration Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy have been posted on the website of the Company viz. www.prabhat-india.in/InvestorDesk.

21. Related Party Transactions

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Further, there are no material related party transactions during the year under review with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are mentioned in the Notes to the Financial Statements. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions. All Related Party Transactions are placed before the Audit Committee for approval. Prior Omnibus approval of the Audit Committee was obtained on a yearly basis for transactions which were of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all Related Party Transactions are placed before the Audit Committee for review on a quarterly basis.

The particulars of Related Party Transactions in prescribed Form AOC – 2 are annexed as **Annexure - 3** and forms an integral part of this Report.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. www.prabhat-india.in/InvestorDesk. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

22. Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

23. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us in normal course of our discharge of duties, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that 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
- (vi) that 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.

24. Auditors

(a) Statutory Auditor

During the year under review, M S K A & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) resigned as Statutory Auditors of the Company. The Audit Committee and Board recommended the appointment of K S S & Company, Chartered Accountants (ICAI Firm Registration No. 126322W) as the Statutory Auditors of the Company and the members at the annual general meeting held on 30th September, 2019 appointed the firm to hold office till the conclusion of the Annual General Meeting in the calendar year 2024 meeting of the Company.

As required under the Listing Regulations, M/s. K S S & Company, the auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There is no audit qualification, reservation or adverse remark in the Auditors' Report on the financial statements of the Company for the year under review. No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

(b) Cost Auditor

The cost audit is not applicable for the Company. The Cost audit report for the financial year 2018-19 is filed with the Ministry of Corporate Affairs within the stipulated timelines.

(c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Board has appointed M/s. Shravan A.

Gupta & Associates, a firm of Company Secretaries in Practice (ICSI C.P. No. 9990), a firm of Company Secretaries in Practice (C.P.No.2956) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report along with the Secretarial Audit Report of the subsidiary is annexed as **Annexure – 4** and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review. However the Secretarial auditor has mentioned that the term of Ms. Seementinee Khot, a woman Independent director and Mr. Ashok Sinha Independent Director of the Company ceased w.e.f. 8th March, 2020. Hence the board strength reduce to 5 directors which is below the required limit of 6 directors specified under provision of Regulation 17(1)(c) of SEBI (LODR), 2015 for the period 08.03.2020 to 31.03.2020. Further provision of regulation 17 (1) (a) of SEBI (LODR), 2015 states that the woman director should be on board, whereas the woman director not on board due to the cessation of term of Ms. Seementinee Khot for the period 08.03.2020 to 31.03.2020. The Company was in process for selection of the suitable candidature for the position of Woman Independent Director. Due to Covid- 19 and nationwide lockdown, Company faced a lot of challenges. However, the position of Woman Independent Director has been filled by appointment of Ms. Richa Ahuja as Woman Independent Director. With this the compliance under Regulation 17 is complied.

25. Internal Control Systems and their Adequacy

Your Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. S P A K & Company, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

26. Risk Management

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

Financial risks

Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize financial, liquidity and interest cost risks.

Credit risks

There may be situations in any business where the Company may not be able to make recoveries from its customers and in order to mitigate these risks the Company is adopts a judicious process of evaluating a customer before giving credit.

Commodity price risks

The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The Company, proactively manages these risks through cost plus contracts, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with the existence of long term relationship with its institutional customers mitigates the impact of price risk on finished goods.

Quality Risks

The products manufactured by the Company are perishable in nature and requires proper storage and distribution network, otherwise the risks of contamination is there. The Company has taken effective steps by way of monitoring quality right from receiving raw materials till production and dispatch and also provides required training at distribution centres to maintain product quality intact.

Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Technology Risks

The Company is exposed to risks associated with adoption of technology. The Company is mitigating these risks through regular review of latest technologies available in the market and globally and accordingly take the decision without any delay.

Human resource risks

Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including rolling out strategic talent management system, training and integration of

learning and development activities. The Company also identify, nurture and groom managerial talent within the Group to prepare them for future business leadership.

Strategic risks

Emerging businesses, new product development, geographical expansion, etc. are normal strategic risks faced by the Company. However, the Company has well defined processes and procedures for obtaining approvals for investments in new products, entering new markets, etc.

27. Corporate Social Responsibility (CSR)

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the areas of animal welfare, rural development projects, self-sustaining livelihood projects, enhancing vocational skills, etc. The Company's key objective is to make a difference to the lives of the underprivileged and help bring them to a self – sustaining level. These projects are largely in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - 5** and forms an integral part of this Report.

The details of the CSR Committee and CSR Policy are available on the Company's website at www.prabhat-india.in/InvestorDesk.

28. Environment and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

29. Anti-Sexual Harassment Policy

The Company has in place, an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

- Number of complaints received - Nil
- Number of complaints disposed off- N.A.

30. Human Resources and Industrial Relations

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at allocations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining its talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

31. Statutory Information

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure – 6** and forms an integral part of this Report

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure - 7** and forms an integral part of this Report. A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure – 8** and forms an integral part of this report. The above Annexure 8 is not being sent along with this annual report to the members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and upto the date of the ensuing Annual General Meeting during the business hours on working days. None of the employees hold (by himself or along with

his spouse and dependent children) more than two percent of the equity shares of the Company.

The Company had no unpaid / unclaimed deposits as on March 31, 2020. The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

32. Business Responsibility Reporting

The Business Responsibility Report as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is applicable to your Company for the financial year 2019-20. The report is a part of the Directors Report.

33. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

34. Appreciation

Your Directors wish to place on record their appreciation, for the value added contributions made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to place on record their appreciation for the continued support extended by the Company's customers, dealers, agents, suppliers, investors, bankers and government and local authorities.

Your Directors would also like to thank all the shareholders for continuing to repose faith in the Company and its future.

For and on behalf of the Board

Sarangdhar R. Nirmal

Chairman & Managing Director

DIN: 00035234

Place: Shrirampur

Date: 8th October, 2020



Annexure - 1

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

1. Name of the subsidiary	Cheese Land Agro (India) Private Limited (CIN:U15209PN2010PTC136135)
2. The date since when subsidiary was acquired	01/04/2011
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2020
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	₹
5. Share capital	Authorised Share Capital : 3,250,000 Equity shares of ₹ 10/- each = ₹ 32,500,000 Issued, Subscribed and Paid up : 3,000,000 Equity shares of ₹ 10/- each = ₹ 30,000,000
6. Reserves and surplus	419,174,810
7. Total assets	7,988,436,022
8. Total Liabilities	7,539,261,212
9. Investments	0
10. Turnover	1,107,686,373
11. Profit before taxation	253,935,974
12. Provision for taxation	144,628,340
13. Profit after taxation	109,307,634
14. Proposed Dividend	-
15. Extent of shareholding (in percentage)	-

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Shrirampur Agri Solutions Private Limited
- Names of subsidiaries which have been liquidated or sold during the year – Sunfresh Agro Industries Private Limited

For and on behalf of Prabhat Dairy Limited

Sarangdhar R. Nirmal
Chairman and Managing Director
DIN:00035234

Vivek S. Nirmal
Joint Managing Director
DIN:00820923

Vishwjit Indrajit Singh
Chief Financial officer

Dipti Todkar
Company Secretary
Membership No. : A21676

Date: 08.10.2020
Place: Shrirampur

Part B Associates and Joint Ventures

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

Name of Associates or Joint Ventures	Name1	Name2	Name3
1. Latest audited Balance Sheet Date			
2. Date on which the Associate or Joint Venture was associated or acquired			
3. Shares of Associate or Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates or Joint Venture			
Extent of Holding (in percentage)			
4. Description of how there is significant influence		NOT APPLICABLE	
5. Reason why the associate/joint venture is not consolidated			
6. Net worth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations - NA

2. Names of associates or joint ventures which have been liquidated or sold during the year - NA

For and on behalf of Prabhat Dairy Limited

Sarangdhar R. Nirmal
Chairman and Managing Director
DIN:00035234

Vivek S. Nirmal
Joint Managing Director
DIN:00820923

Vishwjit Indrajit Singh
Chief Financial officer

Dipti Todkar
Company Secretary
Membership No. : A21676

Date: 08.10.2020
Place: Shrirampur



Annexure - 2

Form No. MGT-9

Extract of Annual Return as on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L01100PN1998PLC013068
(ii)	Registration Date	:	November 25, 1998
(iii)	Name of the Company	:	Prabhat Dairy Limited
(iv)	Category/Sub-Category of the Company	:	Company Limited by Shares / Indian Non – Government Company
(v)	Address of the Registered Office and contact details	:	Gat No. 122, At Post Ranjankhol, Tilaknagar Taluka Rahata, Dist Ahmednagar – 413720 Tel No. 02422-645500
(vi)	Whether listed Company (Yes / No)	:	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited Selenium Tower B Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel. No. +91 40 67162222 Fax No. : +91 40 23431551 Contact Person : Suresh Babu D. E-mailid: suresh.d@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Cattle Feed	46204	94.21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/subsidiary/ Associate	% of shares held	Applicable section
1.	Cheese Land Agro (India) Private Limited ('CLAIPL') Gat No. 122, At Ranjankhol Post Tilaknagar, Taluka Rahata, Ahmednagar- 413720	U15209PN2010PTC136135	Subsidiary	100%	2(87)
2.	Shrirampur Agri Solutions Private Limited Gat No. 122, At Ranjankhol Post Tilaknagar, Taluka Rahata, Ahmednagar- 413720	U01100PN2020PTC190520	Subsidiary	100%	2 (87)

The Company does not have any Holding or Associate Company.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 01/04/2019				No. of Shares held at the end of the year i.e. on 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
(i) Individual / HUF	48935584	0	48935584	50.10	48935584	0	48935584	50.10	0
(ii) Central Govt.	0	0	0	0	0	0	0	0	0
(iii) State Govt.(s)	0	0	0	0	0	0	0	0	0
(iv) Bodies Corporate	0	0	0	0	0	0	0	0	0
(v) Banks / FI	0	0	0	0	0	0	0	0	0
(vi) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	48935584	0	48935584	50.10	48935584	0	48935584	50.10	0
(2) Foreign									
(a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
© Bodies Corporate	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	48935584	0	48935584	50.10	48935584	0	48935584	50.10	0
B. Public Shareholding									
1. Institutions									
(a) Mutual funds	3357128	0	3357128	3.44	3357128	0	3357128	3.44	0
(b) Banks / FI	198598	0	198598	0.20	266071	0	266071	0.27	+0.7
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt. (s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	5187019	0	5187019	5.31	4397766	0	4397766	4.50	-0.81
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others: AIF	0	0	0	0	64462	0	64462	0.07	0.07
Sub-total (B)(1)	8742745	0	8742745	8.95	8085427	0	8085427	8.28	-0.67
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	9082954	0	9082954	9.3	10402379	0	10402379	10.65	+1.35
(ii) Overseas	22515473	0	22515473	23.05	22515473	0	22515473	23.05	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5356746	3	5356749	5.48	4118587	3	4118587	4.22	-1.27
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2506215	0	2506215	2.57	3340190	0	3340190	3.42	0.85

Category of Shareholders	No. of Shares held at the beginning of the year i.e. on 01/04/2019				No. of Shares held at the end of the year i.e. on 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Others:									
(j) Clearing Members	207847	0	207847	0.21	64250	0	64250	0.07	-0.15
(ii) Non Resident Indians	255287	0	255287	0.26	167775	0	167775	0.17	-0.09
(iii) NRI Non-Repatriation	73277	0	73277	0.08	46463	0	46463	0.05	-0.03
Sub-total (B)(2)	39997799	3	39997802	40.95	4065117	3	40655120	41.62	+0.67
Total Public Shareholding (B) = (B)(1) + (B)(2)	48740544	3	48740547	49.90	48740544	3	48740547	49.90	0
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	97676128	3	97676131	100	97676128	3	97676131	100	0

(ii) Shareholding of Promoters and Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year on 01/04/2019			Shareholding at the end of the year on 31/03/2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares of the Company	
1	Sarangdhar R. Nirmal, Trustee of Nirmal Family Trust	45560584	46.64	29.99	45560584	46.64	29.99	0
2	Sarangdhar Ramchandra Nirmal	1125000	1.15	Nil	1125000	1.15	Nil	0
3.	Vivek Sarangdhar Nirmal	1125000	1.15	Nil	1125000	1.15	Nil	0
4.	Kishor Ramchandra Nirmal	1125000	1.15	Nil	1125000	1.15	Nil	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in Promoters shareholding.

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Sarangdhar R. Nirmal, Trustee of Nirmal Family Trust				
	At the beginning of the year	45560584	46.64	45560584	46.64
	Sold during the year	0	0	0	0
	Bought during the year	0	0	0	0
	At the end of the year	45560584	46.64	45560584	46.64
2.	Sarangdhar Ramchandra Nirmal				
	At the beginning of the year	1125000	1.15	1125000	1.15
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	1125000	1.15	1125000	1.15
3.	Vivek Sarangdhar Nirmal				
	At the beginning of the year	1125000	1.15	1125000	1.15
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	1125000	1.15	1125000	1.15
4.	Kishor Ramchandra Nirmal				
	At the beginning of the year	1125000	1.15	1125000	1.15
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	1125000	1.15	1125000	1.15

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	India Agri Business Fund Ltd.				
	At the beginning of the year	14038044	14.37	14038044	14.37
	Bought during the year	0	0	0	
	Sold during the year	0	0	0	
	At the end of the year			14038044	14.37
2.	Societe De Promotion Et De Participation Pour La Cooperation Economique				
	At the beginning of the year	8477429	8.68	8477429	8.68
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year			8477429	8.68
3.	Vistra ITCL India Ltd				
	At the beginning of the year	7391226	7.57	7391226	7.57
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year			7391226	7.57
4	Mondrian Emerging Markets Small Cap Equity Fund				
	At the beginning of the year	2431142	2.49	2431142	2.49
	Bought during the year	0	0	0	0
	Sold during the year:	0	0	0	0
	At the end of the year			2431142	2.49
5	Sundaram Alternative Opportunities Fund – Nano Cap				
	At the beginning of the year	2114964	2.17	2114964	2.17
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year			2114964	2.17
6	Ontario Pension Board – Mondrian Investment Partner				
	At the beginning of the year	1755067	1.80	1755067	1.80
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year			1755067	1.80
7	Sundaram Alternative Opportunities Fund - Nano Cap				
	At the beginning of the year	687150	0.70	687150	0.70
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year			687150	0.70
8	Sundaram Mutual Fund A/C Sundaram Long Term Micro				
	At the beginning of the year	555014	0.57	555014	0.57
	Bought during the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year			555014	0.57
9	Sykes & Ray Equities (I) Ltd				
	At the beginning of the year	392648	0.40	392648	0.40
	Bought during the year				
	05/04/2019	49326		441974	0.45
	12/04/2019	140708		582682	0.60
	26/04/2019	164026		651450	0.67
	17/05/2019	200		386411	0.40
	02/08/2019	122464		485470	0.50
	09/08/2019	162240		647710	0.66
	16/08/2019	315		648025	0.66

Sr. No	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	13/09/2019	171353		664970	0.68
	11/10/2019	664655		1329310	1.36
	01/11/2019	50861		715516	0.73
	08/11/2019	20494		736010	0.75
	Sold during the year				
	12/04/2019	-95258		487424	0.50
	26/04/2019	-165239		486211	0.50
	10/05/2019	-100000		386211	0.40
	24/05/2019	-200		386211	0.40
	28/06/2019	-5120		381091	0.39
	19/07/2019	-18085		363006	0.37
	30/08/2019	-146745		501280	0.51
	06/09/2019	-7663		493617	0.51
	27/09/2019	-315		664655	0.68
	11/10/2019	-664655		664655	0.68
	31/01/2020	-72125		663885	0.68
	At the end of the year			663885	0.68
10	EMERGING MARKETS CORE EQUITY PORTFOLIO				
	At the beginning of the year	260772	0.27	260772	0.27
	Bought during the year	0	0	0	0
	Sold during the year				
	26/04/2019	-35856		224916	0.23
	03/05/2019	-12580		212336	0.22
	10/05/2019	-25181		187155	0.19
	17/05/2019	-10004		177151	0.18
	24/05/2019	-10963		166188	0.17
	31/05/2019	-12987		153201	0.16
	07/06/2019	-11222		141979	0.15
	14/06/2019	-26171		115808	0.12
	21/06/2019	-41558		74250	0.08
	28/06/2019	-14253		59997	0.06
	21/02/2020	-10169		49828	0.05
	At the end of the year			49828	0.05
11	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED				
	At the beginning of the year	0	0	0	0
	Bought during the year				
	13/09/2019	62769		62769	0.06
	20/09/2019	20494		83263	0.09
	27/09/2019	98137		181400	0.19
	30/09/2019	16728		198128	0.20
	04/10/2019	9304		207432	0.21
	11/10/2019	2754		210186	0.22
	18/10/2019	10739		220925	0.23
	25/10/2019	91871		312796	0.32
	06/12/2019	36868		333664	0.34
	13/12/2019	53539		387203	0.40
	31/12/2019	582		387785	0.40
	10/01/2020	55387		443172	0.45
	31/01/2020	126767		569939	0.58
	Sold during the year				
	29/11/2019	-16000		296796	0.30
	At the end of the year	569939	0.58	569939	0.58

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Mr. Sarangdhar R. Nirmal, Chairman & Managing Director				
At the beginning of the year	1125000	1.15	1125000	1.15
Bought during the year	0	0	0	0
Sold during the year	0	0	0	0
At the end of the year	1125000	1.15	1125000	1.15
Mr. Vivek S. Nirmal, Joint Managing Director				
At the beginning of the year	1125000	1.15	1125000	1.15
Bought during the year	0	0	0	0
Sold during the year	0	0	0	0
At the end of the year	1125000	1.15	1125000	1.15
Mr. Mr. Vishwjit I. Singh - CFO				
At the beginning of the year	279		279	0
Bought during the year				
27/03/2020			4	0
Sold during the year				
26/04/2019	2	0	275	0
At the end of the year			8	0
Mr. Mr. Vaibhav S. Parjane				
At the beginning of the year	0	0	0	0
Bought during the year				
27/03/2020			200	0
Sold during the year	0	0	0	0
At the end of the year			200	0

The Company Secretary and other Directors of the Company do not hold any equity shares in the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(INR in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount as on 01.04.2019	0	0	0	0
ii) Interest due but not paid as on 01.04.2019	0	0	0	0
iii) Interest accrued but not due as on 01.04.2019	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year 2019-20				
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year: 31.03.2020				
i) Principal Amount	0	0	0	0
ii) Interest accrued on loans but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

@ As per the provisions of Ind AS 109 – "Financial Instruments", financial liabilities in the form of borrowings have been accounted at amortised cost using the effective interest rate method (EIR).



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole –time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total amount (INR in Lakhs)
		Mr. Sarangdhar Nirmal (INR in Lakhs)	Mr. Vivek Nirmal (INR in Lakhs)	
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (INR in Lakhs)	22.00	38.00	60.00
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Options	Nil	Nil	Nil
5.	Sweat Equity	Nil	Nil	Nil
6.	Commission:	Nil	Nil	Nil
-	As % of profit			
-	Others, specify			
7.	Others, please specify	Nil	Nil	Nil
	Total (A)	22.00	38.00	60.00
	Ceiling as per the Act	121.00	121.00	121.00

B. Remuneration to other Directors:

(INR in Lakhs)

Sr. No	Particulars of Remuneration	Name of Directors				Total amount
		Mr. Abdul Samad (w.e.f 29.05.2019 as additional Director and w.e.f 01.08.2019 Independent Director)	Mr. Vaibhav Parjane (w.e.f 29.05.2019 as additional Director and w.e.f 01.08.2019 Independent Director)	Mr. Bhaskar Gaikwad (w.e.f 29.05.2019 as additional Director and w.e.f 01.08.2019 Independent Director)	Mr. Anoop Krishna (Till 11.11.2019)	
1	Independent Directors:					
	Fee for attending Board / Committee meetings	2.00	3.75	3.25	2.50	11.5
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)					
2	Other Non-Executive Directors:					
	Fee for attending Board / Committee meetings	N.A.	N.A.	N.A.	N.A.	
	Commission	N.A.	N.A.	N.A.	N.A.	
	Others, please specify	N.A.	N.A.	N.A.	N.A.	
	Total (2)	N.A.	N.A.	N.A.	N.A.	
	Total (B) = (1+2)	2.00	3.75	3.25	2.50	11.5
	Total Managerial Remuneration					
	Overall Ceiling as per the Act		₹ 1,00,000 per meeting per director			

Sr. No	Particulars of Remuneration	Name of Directors				Total amount
		Mrs. Seemantinee Shashank Khot (Till 08.03.2020)	Mr. Ashok Sinha (Till 08.03.2020)	Mr. Rajesh Srivastava (Till 30.09.2019)	Mr. B. Soundararajan (Till 30.09.2019)	
1	Independent Directors:					
	Fee for attending Board / Committee meetings	3.75	3.50	1.50	1.25	10.00
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)					
2	Other Non-Executive Directors:					
	Fee for attending Board / Committee meetings	N.A.	N.A.	N.A.	N.A.	
	Commission	N.A.	N.A.	N.A.	N.A.	
	Others, please specify	N.A.	N.A.	N.A.	N.A.	
	Total (2)	N.A.	N.A.	N.A.	N.A.	
	Total (B) = (1+2)	3.75	3.50	1.50	1.25	10.00
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					₹ 121,00,000 and ₹ 1,00,000 per meeting per director

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(INR in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CMD	CEO	CFO	Company Secretary	CFO	
		Mr. Sarangdhar R. Nirmal	Mr. Vivek S. Nirmal	Mr. Raviraj Vahadane (Resigned w.e.f 26.08.2019)	Ms. Dipti Todkar	Vishwjit Indrajit Singh (w.e.f) 16.03.2020)	
1	Gross Salary						
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	22.00	38.00	15.00	23.00	0.69	98.69
(b)	Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4	Commission:	Nil	Nil	Nil	Nil	Nil	Nil
	- As % of profit						
	- Others, specify						
5	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total	22.00	38.00	15.00	23.00	0.69	98.69

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Detail of Penalty / Punishment / Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. COMPANY					
	Penalty		-----Not applicable-----		
	Punishment				
	Compounding				
B. DIRECTORS					
	Penalty		-----Not applicable-----		
	Punishment				
	Compounding				
C. OTHER OFFICERS IN DEFAULT					
	Penalty		-----Not applicable-----		



Annexure - 3

Form AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sl. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
-----N.A.-----								

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sr No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any (INR in Lakhs)	Date of approval by the Board	Amount paid as advances, if any
1.	Cheese Land Agro (India) Private Limited	Purchase of goods in the ordinary course of business at an arm's length price	April 01, 2019 to 31 st March, 2020	6,928.06	Since these related party transactions are in the ordinary course of business and are at an arm's length basis, approval of the Board is not applicable.	Nil
2.	Sarangdhar Nirmal	Rent paid for usages of premises of the Registered office	April 01, 2019 to 31 st March, 2020	1.8	However, these are reported to the Audit Committee / Board at their quarterly meetings.	Nil
3.	Kishor Nirmal*	Salary paid as an employee in capacity of Director- Procurement	April 01, 2019 to 31 st March, 2020	55	24 th March, 2015	Nil

*Kishor Nirmal received salary of ₹ 55 lakhs per annum from Sunfresh Agro Industries Private Limited (SAIPL) in capacity of an employee designated as Director- Procurement. On sale of SAIPL, his employment was transferred to Prabhat Dairy Limited on the same salary. The shareholders at its extra- ordinary general meeting held on 24th March, 2015 had approved the salary payable of ₹ 55 lakhs to Mr. Kishor Nirmal for all the positions he has or he may have in future in the Company or in any of the Companies subsidiaries.

For & on behalf of the Board
For Prabhat Dairy Ltd.

Sarangdhar R. Nirmal
Chairman & Managing Director
DIN:00035234

Place: Shrirampur
Date : 8th October,2020

Annexure - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

To
The Board of Directors
M/s. PRABHAT DAIRY LIMITED
CIN: L01100PN1998PLC013068
GAT NO. 122, AT RANJANKHOL, POST TILAKNAGAR,
TALUKA RAHATA, SHRIRAMPUR AHMEDNAGAR- 413720.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. PRABHAT DAIRY LIMITED (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act 2013 and the Rules made thereunder ;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder;
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 11th September, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018- Not Applicable
 - (i) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulation, 2015;



(vi) The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India-
- (ii) Corporate Governance Voluntary Guidelines-2009 issued by Ministry of Corporate Affairs Government of India,
- (iii) Corporate Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (iv) The Company has been a holding of following companies. The company has Non Government Company /Non financial company.
 - a) Cheese Land Agro (India) Private Limited
 - b) Shirampur Agri Solutions Private Limited

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

I Further report that, during the year under review:

The status of the Company during the financial year has been that of a Listed Company.

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 Companies Act, 2013; following Changes made during the period under review

* the term of Ms. Seementinee Khot, a woman Independent director and Mr. Ashok Sinha Independent Director of the Company ceased w.e.f. 8th March,2020; Hence the board strength reduce to

5 directors which is below the required limit of 6 directors specified under provision of Regulation 17(1)(c) of SEBI (LODR), 2015 for the period 08.03.2020 to 31.03.2020

* further provision of regulation 17 (1) (a) of SEBI (LODR), 2015 states that the woman director should be on board, whereas the woman director not on board due to the cessation of term of Ms. Seemetinee Khot for the period 08.03.2020 to 31.03.2020

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that the Company has complied with the provisions of the Act and Rules made under that Act in carrying out the following changes:

- (a) Appointment and Resignation of Independent Directors.
- (b) Shifted of Registered Office from 121/2A At Post Ranjankhol Rahata Ahmednagar Shirampur -413720 To Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Ahmednagar- 413720 dated 25th April, 2019.
- (c) Sale of shares held in Sunfresh Agro Industries Private Limited (SAIPL), Material Subsidiary Company and sale of Dairy Business Undertaking of the Company
- (d) Consideration and approval of Delisting Proposal.

Shravan A. Gupta & Associates
Practicing Company Secretary

Shravan A. Gupta

Place: Mumbai
Date: 26/06/2020

ACS: 27484, CP: 9990
UDIN : A027484B000386425

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

To
The Board of Directors
M/s. CHEESE LAND AGRO (INDIA) PRIVATE LIMITED
CIN: U15209PN2010PTC136135
GAT NO. 122, AT RANJANKHOL POST TILAKNAGAR,
TALUKA RAHATA, SHRIRAMPUR, AHMEDNAGAR- 413720.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. CHEESE LAND AGRO (INDIA) PRIVATE LIMITED** (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act 2013 and the Rules made thereunder ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; Not Applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made there under; **Not Applicable**
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **Not Applicable as Company is not listed**
- (vi) The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not Applicable as Company is not listed**

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

I further report that, during the year under review:

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 Companies Act, 2013.

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



on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All decisions at Board Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

I further report that the Company has complied with the provisions of the Act and Rules made under that Act in carrying out the following changes:

- (a) Appointment and Resignation of Directors
- (b) Shifted of Registered Office from 121/2A At Post Ranjankhol Rahata Ahmednagar Shirampur -413720 to Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Ahmednagar- 413720 dated 28th April, 2019.

Shravan A. Gupta & Associates
Practicing Company Secretary

Sd/-

Shravan A. Gupta

Place: Mumbai

ACS: 27484, CP: 9990

Date : 26th June, 2020

UDIN : A027484B000386491

Annexure - 5

Annual Responsibility Statement of the CSR Committee

1. The following is the brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken:

- A well thought mission for inclusive growth, that contributes to well-being and sustainability of its surroundings:
 - local community, particularly small and marginal farmers, women and youth.
 - local environment, and natural resources like water, soil, vegetation and livestock
- Protecting long term interests of both the company and its key stakeholders.
- A focused response to socio-economic and environmental issues raised by business operations.

2. The following is a reference to the web-link to the CSR Policy and projects or programs:

www.prabhat-india.in/InvestorDesk

3. The following is the Composition of the CSR committee as on March 31, 2020:

1. Mr. Vaibhav Parjane
2. Dr. Bhaskar Gaikwad - Chairman

3. Dr. Abdul Samad

4. Mr. Sarangdhar Nirmal

4. The following is the Average net profit of the Company for last three financial years.

Year	Net Profit (INR in Lakhs)
2016-17	1,343.62
2017-18	1,554.30
2018-19	665.25
Average	1,187.72

5. The following is the Prescribed CSR expenditure (2% of the amount as in item 4 above):

₹ 23.75 Lakhs (Rupees Twenty – Three Lakhs Seventy Five Thousand only)

6. The following are the details of CSR spent during the financial year:

(a) total amount to be spent for the financial year : ₹ 23.75 Lakhs

(b) amount unspent, if any : NIL



(c) manner in which the amount spent during the financial year is detailed below:

(INR in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Cattle Breeding & Development Program	Animal Welfare	Dist. Ahmednagar, Maharashtra	45	45.30	45.30	Through NGO i.e. Nirmal Rural Multipurpose Institution registered under Bombay Public Trusts Act, 1950 under registration no. F/2446 Ahmednagar
2	Veterinary Services (Preventive Healthcare, Extension and Promotion Activities)	Animal Welfare		2	2.14	2.14	Direct
TOTAL						47.44	

*Give details of implementing agency

The CSR Committee hereby confirm and certify to the Board that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company during the financial year ended on March 31, 2020.

Bhaskar Gaikwad

Chairperson, CSR Committee
DIN: 07026548

Sarangdhar R. Nirmal

Chairman & Managing Director
DIN: 0003523

Date: 08/10/2020
Place: Shirampur

Annexure - 6

Particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014:

The information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

(A) CONSERVATION OF ENERGY-

Your Company continues to focus on productivity and environmental sustainability at its offices and continues to adopt various energy conservation measures such utilizing alternate sources of energy; LED lights are installed.

(B) TECHNOLOGY ABSORPTION-

Your Company constantly endeavors to introduce and implement various technological up gradations in order to obtain improved quality of output at a reduced cost.

Benefits derived as a result of such measures / methods / efforts:

- a) Reduction in overall cost
- b) Optimum utilization of equipment capacity
- c) Enhanced level of Environmental Sustainability, Health and Safety

(C) RESEARCH & DEVELOPMENT (R&D) ACTIVITIES

During the year ended 31st March, 2020, there were no foreign exchange earnings or outgo.

For & On behalf of the Board
For Prabhat Dairy Limited

Sd/-

Sarangdhar R. Nirmal
Chairman & Managing Director
DIN: 00035234

Place: Shirirampur
Date: 08.10.2020



Annexure - 7

DISCLOSURE AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1 & 2. Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year 2019-2020:

Sr. No.	Name of the Director / KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2019-20
1.	Mr. Sarangdhar R. Nirmal	Chairman & Managing Director	9.21	-
2.	Mr. Vivek S. Nirmal*	Joint Managing Director	15.90	-
3.	Mr. Ashok Sinha (Ceased as Independent Director w.e.f. March 8, 2020)	Independent Director	-	-
4.	Mrs. Seemantinee Khot (Ceased as Independent Director w.e.f. March 8, 2020)	Independent Director	-	-
5.	Mr. Anoop Krishna (Resigned as Independent Director w.e.f. November 11, 2019)	Independent Director	-	-
6.	Mr. Soundararajan Bangarusamy (Ceased as Independent Director w.e.f. September 30, 2019)	Independent Director	-	-
7.	Mr. Rajesh Srivastava (Ceased as Independent Director w.e.f. September 30, 2019)	Independent Director	-	-
8.	Mr. Vaibhav Parjane (Appointed w.e.f 29 .05.2019 as Additional Director and w.e.f 01.08.2019 as Independent Director)	Independent Director	-	-
9.	Mr. Abdul Samad (Appointed w.e.f 29 .05.2019 as Additional Director and w.e.f 01.08.2019 as Independent Director)	Independent Director	-	-
10.	Mr. Bhaskar Gaikwad (Appointed w.e.f 29 .05.2019 as Additional Director and w.e.f 01.08.2019 as Independent Director)	Independent Director	-	-
11.	Mr. Raviraj Vahadane (Resigned as CFO w.e.f 26.08.2019)	Chief Financial Officer	NA	-
12.	Mr. Vishwajit Singh (Appointed as CFO w.e.f 16.03.2020)	Chief Financial Officer	NA	-
13.	Ms. Dipti Todkar	Company Secretary	NA	-

*Note: Mr. Vivek Nirmal's remuneration of ₹ 60 lakhs was divided between the Company and its subsidiary, Sunfresh Agro Industries Private Limited (SAIPL) in which he was appointed as a Managing Director on a remuneration of ₹ 36 lakhs per annum. In April, 2019, he resigned as a Director of SAIPL. The remuneration of ₹ 36 lakhs per annum was paid by the Company for the year 2019-20. There is no increase in the remuneration of Mr. Vivek Nirmal and is within the limits.

1. The median remuneration of employees of the Company for the year has increased by 46% compared to the previous financial year.
2. The number of permanent employees on the rolls of the Company is 56 as on 31st March, 2020.
3. Average percentage increase made in the salaries of employees in the last Financial Year was 9.35%.

4. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
5. Other than as disclosed above, there was no employee who:
- (i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and twenty lakh rupees;
 - (ii) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ten lakh rupees per month;
 - (iii) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole – time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For & on behalf of the Board
For Prabhat Dairy Limited

Sarangdhar R. Nirmal
Chairman & Managing Director
DIN: 00035234

Place: Shrirampur
Date: 8th October, 2020



Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance includes transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalization, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sine-qua-non of modern management.

COMPANY'S PHILOSOPHY

Prabhat Dairy Limited's ("The Company / Prabhat") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics and Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- (i) Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- (ii) Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- (iii) Timely disclosure of material operational and financial information to the stakeholders;
- (iv) Systems and processes in place for internal control; and
- (v) Proper business conduct by the Board, Senior Management and Employees.

The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a well-known and trusted partner in Dairy industry while upholding the core values of Quality, Trust, Leadership and Excellence.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

GOVERNANCE STRUCTURE

The Corporate Governance structure at Prabhat is as follows:

1. **Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view

to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

2. **Committees of the Board:** The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and the Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

THE BOARD OF DIRECTORS

Composition and category of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Entrepreneurial, Financial and Social background. The Company is managed by the Board of Directors in co-ordination with the senior management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2020, the Company's Board consists of Five Directors. Besides the Chairman, an Executive Promoter

Director, the Board comprises of one Executive Promoter Director, and Three non-executive Independent Directors. The Women Director of the company has resigned w.e.f 8th March 2020 the company is in the process of search for appointment of Women Director with the relevant provisions of the Act.

The composition of the Board is in not conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations from 8th March, 2020 to 31st March, 2020.

Directors' Attendance Record and their other Directorships/ Committee memberships

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2020 are given below:

Directorship / Committee Membership as on March 31, 2020:

Name	Date of appointment	Category of Director	Directorships in other Indian Public Limited Companies (excluding Prabhat)	No. of Board Committees in which Chairman / Member (excluding Prabhat)		No. of shares held
				Chairman	Member	
Mr. Sarangdhar R. Nirmal	25/11/1998	Executive – Promoter	1	Nil	Nil	11,25,000
Mr. Vivek S. Nirmal	01/05/2012	Executive Promoter	1	Nil	Nil	11,25,000
Dr. Abdul Samad	29/05/2019	Non-Executive - Independent Director	0	Nil	Nil	0
Dr. Bhaskar Gaikwad	29/05/2019	Non-Executive - Independent Director	0	Nil	Nil	0
Mr. Vaibhav Parjane	29/05/2019	Non-Executive - Independent Director	0	NIL	1	200

During the year under review, the term of Mr. Rajesh Srivastava and Mr. B. Soundararajan as Independent Directors ceased with effect from 30th September, 2019. Mr. Anoop Krishna resigned as Independent Director with effect from 11th November, 2019. The term of Ms. Seemantinee Khot and Mr. Ashok Sinha as Independent Directors ceased with effect from 8th March, 2020. Dr. Abdul Samad, Dr. Bhaskar Gaikwad and Mr. Vaibhav Parjane were appointed as non-executive Directors with effect from 29th May, 2019 and designated as Independent Directors with effect from 1st August, 2019 for a term of 5 years.



Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationship Committee in Indian Public Limited Companies other than Prabhat Dairy Limited. Members of the Board of the Company do not have membership of more than ten Board –level Committees or Chairman of more than five such Committees.
3. Mr. Sarangdhar R. Nirmal and Mr. Vivek S. Nirmal are related to each other in the capacity of father and son.
4. Details of Director(s) retiring or being re-appointed are given in notice of Annual General Meeting.
5. Brief profiles of each of the above Directors are available on the Company's website at www.prabhat-india.in.
6. None of the Directors of the Company are Directors in any other listed entities.

Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values), major risks /threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

Given below is a list of core skills, expertise and competencies of the individual Directors

Sr. Director No.	Knowledge on Company's businesses, policies and culture knowledge of the industry	Behavioral skills	Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making	Financial and Management	Technical / Professional skills
1. Mr. Sarangdhar Nirmal	√	√	√	√	√
2. Mr. Vivek Nirmal	√	√	√	√	√
3. Dr. Abdul Samad	√	√	√	√	√
4. Dr. Bhaskar Gaikwad	√	√	√	√	√
5. Mr. Vaibhav Parjane	√	√	√	√	√

Independent Directors

In the opinion of the Board, the Non-Executive Independent Directors fulfil the conditions of independence specified in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.prabhat-india.in.

Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board

reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2019-20, the Board of Directors met 12 times i.e. on 25th April 2019, 07th May 2019, 30th May 2019,

1st August 2019, 14th August 2019, 10th September 2019, 13th September 2019, 3rd October 2019, 14th November 2019, 20th November 2019, 14th February 2020 and 16th March 2020. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at the AGM held on September 30, 2019
1	Mr. Sarangdhar R. Nirmal	Executive, Promoter	12/12	YES
2	Mr. Vivek S. Nirmal	Executive, Promoter	12/12	Leave of absence sought
3	Mr. Rajesh Srivastava *	Independent	4/7	Not Applicable
4	Mr. B. Soundararajan *	Independent	5/7	Not Applicable
5	Mr. Ashok Sinha **	Independent	10/11	Leave of absence sought
6	Mrs. Seemantinee Khot**	Independent	10/11	Leave of absence sought
7	Mr. Anoop Krishna***	Independent	7/8	Leave of absence sought
8	Mr. Vaibhav Parjane****	Independent	9/10	Leave of absence sought
9	Mr. Abdul Samad****	Independent	7/10	YES
10	Mr. Bhaskar Gaikwad*****	Independent	10/10	YES

*Term of Mr. Rajesh Srivastava and Mr. B. Soundararajan as Independent Directors ceased with effect from 30th September 2019.

**Term of Mrs. Seemantinee Shashank Khot and Mr. Ashok Sinha as Independent Directors ceased with effect from 8th March, 2020.

***Mr. Anoop Krishna resigned as an Independent Director with effect from 11th November 2019.

****Mr. Vaibhav Parjane, Mr. Abdul Samad, Mr Bhaskar Gaikwad were appointed as Non-executive Directors w.e.f 29th May 2019 and designated as Independent Director with effect from 1st August, 2019.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the meetings.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

The Chairman and Managing Director

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a world-class organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- (i) Provide leadership to the Board and preside over all Board and General Meetings.
- (ii) Achieve goals in accordance with Company's overall vision.
- (iii) Ensure that Board decisions are aligned with Company's strategic policy.
- (iv) Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- (v) Monitor the core management team.



Independent Directors play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- (i) Impart balance to the Board by providing independent judgement.
- (ii) Provide feedback on Company's strategy and performance.
- (iii) Provide effective feedback and recommendations for further improvements.

FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the Compliance required from him / her under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarisation programme for Directors are available on the Company's website at <http://www.prabhat-india.in/investor.html>

GOVERNANCE CODES

Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm annual compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website at <http://www.prabhat-india.in/investor.html>

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. The members of the Board while discharging their duties avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

Insider Trading Code

The Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations) which is duly amended from time to time basis.

The Code is applicable to Promoters and Promoter's Group, all Directors, connected persons and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The minutes of the Committee Meetings are placed before the Board for noting.

The Company has four Board Level Committees:

- A) Audit Committee
- B) Nomination and Remuneration Committee
- C) Stakeholders Relationship Committee and
- D) Corporate Social Responsibility Committee

(A) AUDIT COMMITTEE

Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing

Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risks, etc. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. Anoop Krishna, Independent Director was the Chairman of the Audit Committee till November 11, 2019. Consequent on resignation of Mr. Anoop Krishna, Mr. Vaibhav Parjane was appointed as the Chairman of the Audit Committee for the financial year 2019-20. Due to changes in the constitution of Board of Directors, the Audit Committee memberships also changed. For the year ended 31st March, 2020 the

members of the Audit Committee including independent directors are Mr. Vaibhav Parjane, Dr. Bhaskar Gaikwad and Mr. Vivek Nirmal.

Meetings and Attendance

The Audit Committee met four times during the financial year 2019-20. The maximum gap between two meetings was not more than 120 days. The Committee met on May 30, 2019, August 14, 2019, November 14, 2019 and February 14, 2020. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was granted leave of absence at the last Annual General Meeting of the Company held on September 30, 2019.

The Table below provides the attendance of the Audit Committee members:

Sr. No.	Name of Director	Position in Committee	Category of Director	No. of Meetings Attended
1	Mr. Anoop Krishna*	Chairman	Independent	2/3
2	Mr. Vaibhav Parjane**	Chairman	Independent	3/3
3	Mr. Rajesh Srivastava ***	Member	Independent	1/2
4	Mr. B. Soundararajan ***	Member	Independent	0/2
5	Mr. Ashok Sinha****	Member	Independent	3/4
6	Mrs. Seemantinee Khot ****	Member	Independent	4/4
7	Mr. Vivek S. Nirmal	Member	Promoter, Executive	4/4
8	Dr. Bhaskar Gaikwad*****	Member	Independent	0/0

*Mr. Anoop Krishna, Independent Director was the Chairman of the Audit Committee till November 11, 2019.

** Mr. Vaibhav Parjane was appointed as a member of Audit Committee with effect from 30th May, 2019. Consequent on resignation of Mr. Anoop Krishna, Mr. Vaibhav Parjane was designated as the Chairman of the Audit Committee for the financial year 2019-20.

*** The term of Mr. Rajesh Srivastava and Mr. B. Soundararajan ceased as Independent Directors with effect from 30th September 2019.

****The term of Mrs. Seemantinee Khot and Mr. Ashok Sinha ceased as Independent Directors with effect from 8th March, 2020.

***** Dr. Bhaskar Gaikwad was appointed as member of Audit Committee with effect from 16th March, 2020.

Terms of Reference

The Audit Committee inter alia performs the functions of approving annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various

Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2020.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing independent audit of the Company's Financial Statements and Company's internal financial control over financial reporting in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Joint Managing Director, Chief Financial Officer, Business Heads of the Company's Divisions, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company



Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Consolidated Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone as well as Consolidated Financial Statements are made available on the website of the Company at <http://www.prabhat-india.in/investor.html> and are also sent to the Stock Exchanges where the Company's Equity Shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of vigil mechanism (implemented in the Company as a Fraud Risk Management Policy and Whistle Blower Policy) and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with Chief Financial Officer formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the

Audit Committee meetings. The Internal Auditors attend the meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.

(B) NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee comprises of atleast three Directors. Due to changes in the constitution of Board of Directors, the Nomination and Remuneration Committee memberships also changed. Dr. Bhaskar Gaikwad, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Mr. Vaibhav Parjane, Mr. Abdul Samad and Mr Sarangdhar R. Nirmal. The composition of the Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Meeting and Attendance

The Nomination and Remuneration Committee met twice during the financial year 2019-20. The Committee met on August 01, 2019 and March 16, 2020. The requisite quorum was present at all the meetings.

The Table below provides the attendance of the Nomination and Remuneration Committee members:

Sr. No.	Name of Director	Position in Committee	Category of Director	No. of Meetings Attended
1	Mr. Ashok Sinha*	Chairman	Independent	1/1
2	Ms. Seemantinee Khot*	Member	Independent	0/1
3	Mr. Rajesh Srivastava**	Member	Independent	1/1
4	Mr. Anoop Krishna***	Member	Independent	1/1
5	Mr. Vaibhav Parjane****	Member	Independent	2/2
6	Dr. Bhaskar Gaikwad****	Chairman	Independent	2/2
7	Dr. Abdul Samad****	Member	Independent	0/2
8	Mr. Sarangdhar Nirmal****	Member	Executive Chairman	2/2

*The term of Mrs. Seemantinee Khot and Mr. Ashok Sinha ceased as Independent Directors with effect from 8th March, 2020.

**The term of Mr. Rajesh Srivastava ceased as Independent Directors with effect from 30th September 2019.

***Mr. Anoop Krishna, Independent Director was elected on the Committee with effect from 30th May, 2019 and he resigned as Independent Director of the Company with effect from November 11, 2019.

**** Mr. Vaibhav Parjane, Dr. Bhaskar Gaikwad, Dr. Abdul Samad and Mr. Sarangdhar Nirmal were elected as on the Committee with effect from 30th May, 2019. Consequent on the cessation of term of Mr. Ashok Sinha as Independent Director, Dr. Bhaskar Gaikwad was designated as the Chairman of the Nomination and Remuneration Committee from the financial year 2019-20.

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows:

- (i) Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Key Managerial Persons;
- (ii) To help in determining the appropriate size, diversity and composition of the Board;
- (iii) To recommend to the Board appointment/reappointment and removal of Directors;
- (iv) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- (v) To recommend to the Board remuneration payable to the Directors (while fixing the remuneration of executive Directors, the restrictions contained in the Companies Act, 2013 are to be considered);
- (vi) To create an evaluation framework for the Independent Directors and the Board;
- (vii) To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- (viii) To assist in developing a succession plan for the Board;
- (ix) To assist the Board in fulfilling responsibilities entrusted from time-to-time; and
- (x) Delegation of any of its powers to any member of the Committee or the Compliance Officer.

REMUNERATION POLICY

A. Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each Meeting of the Board or Committee of Directors attended by them. The total amount of

sitting fees payable to Non-Executive Directors during the Financial Year 2019-20 was INR 21,50,000 Lakhs. The Non-Executive Directors/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Joint Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman and Managing Director and Joint Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. No annual increments have been given or considered to be paid to the Chairman and Managing Director and Joint Managing Director. Till the financial year 2018-19, Mr. Vivek Nirmal drew salary of ₹ 36 lakhs per annum from Sunfresh Agro Industries Private Limited in capacity of Managing Director of the Company. On sale of subsidiary to Tirumala Milk Products Private Limited, he resigned as Managing Director of the Company. The salary of ₹ 36 lakhs per annum was paid to him from the Company. The total salary paid to him is within the limits as prescribed under the Companies Act, 2013 and as approved by the members.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

Presently, the Company does not have any stock options scheme for its Directors.

The Nomination and Remuneration Policy is displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.



DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2020:

(A) NON EXECUTIVE DIRECTORS

Name of Director	Sitting Fees (INR)	No. of Shares Held	Commission to Non-executive Directors (INR)
Mr. Rajesh Srivastava (till 30.09.2019)	1,50,000	Nil	Nil
Mr. B. Soundararajan (till 30.09.2019)	1,25,000	Nil	Nil
Mr. Ashok Sinha (till 08.03.2020)	3,50,000	Nil	Nil
Mrs. Seemantinee Khot (till 08.03.2020)	3,75,000	Nil	Nil
Mr. Anoop Krishna (till 11.11.2019)	2,50,000	Nil	Nil
Dr. Abdul Samad (with effect from 29.05.2019)	2,00,000	Nil	Nil
Dr. Bhaskar Gaikwad (with effect from 29.05.2019)	3,25,000	Nil	Nil
Mr. Vaibhav Parjane (with effect from 29.05.2019)	3,75,000	200	Nil

(B) EXECUTIVE DIRECTORS

Particulars	Mr. Sarangdhar R. Nirmal	Mr. Vivek S. Nirmal
Term of Appointment	5 years effective from March 1, 2015 (Reappointed with effect from March 1, 2020 for a period of 3 years)	5 years effective from March 1, 2015 (Reappointed with effect from March 1, 2020 for a period of 3 years)
Salary and Allowances	INR 22 Lacs per annum	INR 38 Lacs per annum
Commission	Nil	Nil
Variable Pay	Nil	Nil
Perquisites	As per Company's rules	As per Company's rule
Retrial Benefits	Contribution to provident fund, superannuation fund, gratuity, leave encashment	Contribution to provident fund, superannuation fund, gratuity, leave encashment
Sitting Fees	Nil	Nil
Sitting Fees from subsidiary companies	Nil	Nil
Minimum Remuneration	Mr. Sarangdhar R. Nirmal shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy or absence of profits	Mr. Vivek S. Nirmal shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy or absence of profits
Notice Period & Severance Fees	N.A.	N.A.

The remuneration paid to the Chairman and Managing Director and Joint Managing Director is within limits specified under section 197 and Schedule V of the Companies Act, 2013.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out

by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE Composition and Attendance

The Stakeholders' Relationship Committee comprises of three Directors. Due to changes in the constitution of Board of Directors, the Stakeholders' Relationship Committee membership also changed. Mr. Vaibhav Parjane, Independent Director, is the Chairman of the Committee. The other members of the Stakeholder's Relationship Committee include Mr Sarangdhar Nirmal and Mr. Vivek Nirmal. The table below highlights the

composition and attendance of the Members of the Committee. The requisite quorum was present at the Meeting held during the year. Due to Covid 19 and nationwide lock down, the members of the Committee could not schedule a meeting in the month of March for the financial year 2019-20. However, the meeting for the year 2019-20 was scheduled on August 19, 2020.

Sr. No.	Name of Director	Position	Category	No. of Meetings attended
1	Mr. Ashok Sinha*	Chairman	Independent	0 of 0
2	Mr. Vaibhav Parjane	Chairman	Independent	1 of 1
3	Mr. Sarangdhar Nirmal	Member	Promoter, Executive	1 of 1
4	Mr. Vivek Nirmal	Member	Promoter, Executive	1 of 1

*Term of Mr. Ashok Sinha as Independent Director ceased with effect from 8th March, 2020. Consequently on cessation of the term of Mr. Ashok Sinha, Mr. Vaibhav Parjane, an Independent Director was elected as member of the Committee. Ms. Dipti Todkar, Company Secretary is the Compliance Officer.

Terms of Reference

The Board has clearly defined the terms of reference for this committee. The Committee looks into the matters of Shareholders/ Investors grievances along with other matters listed below:

- (i) approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/ debenture certificates;
- (ii) to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent viz., KFin Technologies Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, SOLVED AND PENDING SHARE TRANSFERS

The total numbers of complaints received and resolved during the year ended March 31, 2020 were 1. There were no complaints outstanding as on March 31, 2020. The number of pending share transfers and pending requests for dematerialization as on March 31, 2020 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days as on March 31, 2020.

Sr. No.	Nature of Complaints	Complaints Received	Complaints Redressed
1	Non-receipt of Dividend Warrant		
2	Non-receipt of annual report	1	1
3	Non-receipt of Duplicate/ Consolidated Share Certificates	-	-
4	Non-receipt of Demat Credit/ Remat requests	-	-
5	Non-Receipt of Refund Order	-	-
6	Miscellaneous	-	-
	Total	1	1

The above table also includes complaints received from SCORES platform by the Company.



D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE Composition

The Corporate Social Responsibility (CSR) Committee comprises of three Directors. Due to changes in the constitution of Board of Directors, the CSR Committee membership also changed. Dr. Bhaskar Gaikwad, Independent Director, is the Chairman of the Committee. The other members of the CSR Committee include Mr. Sarangdhar R. Nirmal, Mr. Abdul Samad and Mr. Vaibhav Parjane. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act,

2013 the Company had spent INR 47.44 lakhs for the financial year 2019-20.

The Company has formulated CSR Policy, which is uploaded on the website of the Company at <http://www.prabhat-india.in/investor.html>.

Terms of Reference

- (i) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company specified in Schedule VII of the Companies Act, 2013;
- (ii) To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

Meetings and Attendance:

The Nomination and Remuneration Committee met once during the financial year 2019-20. The Committee met on August 14, 2019. The requisite quorum was present at the meeting. The Table below provides the attendance of the CSR Committee members:

Sr. No.	Name of Director	Position	Category	No. of Meetings attended
1	Ms. Seemantinee Khot*	Chairman	Independent	1 of 1
2	Mr. Rajesh Srivastava**	Member	Independent	0 of 1
3	Mr. Sarangdhar Nirmal	Member	Promoter, Executive	1 of 1
4	Dr. Bhaskar Gaikwad***	Member	Independent	1 of 1
5	Dr. Abdul Samad***	Member	Independent	1 of 1
6	Mr. Vaibhav Parjane***	Member	Independent	1 of 1

*The term of Mrs. Seemantinee Khot ceased as Independent Director with effect from 8th March, 2020.

**The term of Mr. Rajesh Srivastava ceased as Independent Director with effect from 30th September 2019.

*** Mr. Vaibhav Parjane, Dr. Bhaskar Gaikwad and Dr. Abdul Samad were elected as on the Committee with effect from 30th May, 2019. Consequent on the cessation of term of Ms. Seemantinee Khot as Independent Director, Dr. Bhaskar Gaikwad was designated as the Chairman of the Nomination and Remuneration Committee from the financial year 2019-20.

E. INDEPENDENT DIRECTORS' MEETING:

Due to Covid 19 and nationwide lock down, all the Independent Directors met on 18th July, 2020 inter alia, to:

- (i) Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- (iii) Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- (iv) Evaluation of the status of the sale transaction of the dairy business

SUBSIDIARY COMPANIES

The Company has two subsidiaries viz. Cheese Land Agro (India) Pvt. Ltd (Cheese) and Shrirampur Agri Solutions Private Limited. Shrirampur Agri Solutions Private Limited was incorporated on March 30, 2020. The Company has not commenced any business activity.

Cheese is a material subsidiary as per the Listing Regulations. The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company at <http://www.prabhat-india.in/investor.html>

AFFIRMATIONS AND DISCLOSURES:

(a) Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

(b) Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company at <http://www.prabhat-india.in/investor.html>.

None of the transactions with Related Parties were in conflict with interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

(c) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

(d) Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in

exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.

(e) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

(f) Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

(g) Commodity price risk and Commodity hedging activities

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk inter alia through cost plus contracts with majority of its institutional customers and through proactive and close engagement with farmers.

(h) A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

(i) During the year, details of fees paid/payable to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, are given below:

(₹ In lakhs)

Particulars	By the Company*	By the Subsidiaries *	Total
Audit Fees (FY 2019-20)	4.00	1.50	5.50
Audit Fees (FY 2018-19)	22.32	2.10	24.42
Certifications	-	-	-
Reimbursements	-	-	-
Other Services (Tax Audit)	2.95	0.22	-
Total	29.27	3.83	33.10

*The above fees are exclusive of applicable tax.



(j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at www.prabhat-india.in

Status of complaints as on 31st March 2020:

1.	Number of complaints filed during the financial year	NIL
2.	Number of complaints disposed off during the financial year	NIL
3.	Number of complaints pending at the end of the financial year	NIL

(k) The Company has complied with all the applicable mandatory requirements relating to Corporate Governance under the Listing Regulations. Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

(l) The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations for the financial year 2019-20. During the period from 8th March, 2020 till 31st March, 2020 the Company does not have a woman Director and the constitution of Board is less than 6.

GENERAL BODY MEETINGS:

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
19 th	2016-17	August 10, 2017 at 2.30 p.m.	Registered Office of the Company	No special resolution was passed
20 th	2017-18	September 22, 2018 at 2.30 p.m.	Registered Office of the Company	No special resolution was passed
21 st	2018-19	September 30, 2019 at 12.15 P.M	121/2A, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar- 413720	No special resolution was passed

DETAILS OF EXTRA ORDINARY GENERAL MEETING HELD

Financial Year	Date and Time	Venue	Details of Special Resolution Passed
2019-20	May 29, 2019 at 12.00 noon	121/2A, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar- 413720	No special resolution was passed

POSTAL BALLOT

The Board in its meeting held on September 13, 2019, had approved the Notice of Postal Ballot / E-Voting for passing of special resolution for approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE").

Person Conducting the Postal Ballot Exercise

Mr. Vaibhav Parjane, an Independent Director and Ms. Dipti Todkar, Company Secretary were appointed as person responsible for the entire postal ballot / e-voting process. Mr. Alpeshkumar J. Panchal (ACS 49008; CP

20120), Partner, KJB & Co LLP, Practicing Company Secretaries, Mumbai, was appointed as the scrutinizer to conduct the process of the postal ballot process in a fair and transparent manner.

Procedure Followed

In compliance with the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Fintech Pvt. Ltd. (Karvy) for the purpose of providing e-voting facility.

The members had the option to vote either by physical ballot or e-voting.

The Company dispatched the postal ballot notice dated September 13, 2019 containing draft resolution together with the explanatory statement, the postal ballot forms and self-addressed envelopes to the members whose names appeared in the register of members / list of beneficiaries as on cut-off date i.e. Tuesday, September 10, 2019. The Company also published a notice in the newspaper declaring the details of completion of dispatch on September 15, 2019 and September 16, 2019 and other requirements as mandated under the Act and applicable rules.

Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of working hours i.e. by 5.00 pm (IST) on Monday, October 14, 2019. The members who opted for the e-voting

voted from Sunday, September 15, 2019 at 9.00 am (IST) (start date) to Monday, October 14, 2019 at 5:00 pm (IST) (end date).

The Scrutinizer submitted his report on Wednesday, October 16, 2019, after the completion of scrutiny.

The results of the postal ballot were announced by the Chairman on Wednesday, October 16, 2019. The last date specified for receipt of duly completed Postal Ballot Forms and closure of e-voting i.e. October 14, 2019 was taken as the date of passing the resolution.

The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at www.prabhat-india.in and on the website of Karvy i.e. <https://evoting.karvy.com> and was also communicated to the Stock Exchanges.

The consolidated summary of the result of postal ballot / e-voting is as under:

Details of Agenda	No. of valid votes	Votes cast in favour of the resolution (no. & %)	Votes cast against the resolution (no. & %)
Approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE").	88,669,704	88,322,128 (99.61%)	347,576 (0.39%)

The consolidated summary of the result of postal ballot / e-voting as per Rule 8 of SEBI (Delisting of Equity shares) Regulations, 2009

Details of Agenda	No. of valid votes	Votes cast in favour of the resolution (no. & %)	Votes cast against the resolution (no. & %)
Approval for Voluntary Delisting of the Equity Shares of the Company from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and withdrawal of "Permitted to Trade" status on the Metropolitan Stock Exchange of India Limited ("MSE").	39,734,120	39,386,544 (99.13%)	347,576 (0.87%)

Apart from the above announcement of results, there is no immediate proposal for passing any other special resolution through Postal Ballot on or before ensuing Annual General Meeting.

GENERAL SHAREHOLDER INFORMATION:

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2019-20

DAY AND DATE	Saturday, 26 th December, 2020
TIME	12.00 noon
VENUE	122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Dist. Ahmednagar 413 720, Maharashtra
FINANCIAL YEAR	12 months ended 31 st March, 2020
BOOK CLOSURE DATES FOR DIVIDEND	Monday 21 st December 2020 to Saturday, 26 th December, 2020 (both days inclusive)
LAST DATE OF RECEIPT OF PROXY FORMS	Thursday 24 th December, 2020 before 12:00 noon



Tentative Calendar for Financial Year ending March 31, 2021

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative Dates
1	First Quarter Results	In or before the second week of August/ September * 2020
2	Second Quarter & Half Yearly Results	In or before the second week of November 2020
3	Third Quarter & Nine-months ended Results	In or before the second week of February 2021
4	Fourth Quarter & Annual Results	In or before the last week of May 2021

*Due to Covid 19 SEBI has extended the date for the first quarter results till 15th September, 2020.

Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125. The details of unclaimed/unpaid dividend are available on the website of the Company at <http://www.prabhat-india.in/investor.html>.

Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company. As on March 31, 2020 there are no shares liable to be transferred to the Demat Account of IEPFA.

Details of Unclaimed Dividend as on March 31, 2020 and due dates for transfer are as follows:

Sr. No.	Financial Year	Date of Declaration of Dividend	Unclaimed Amount (₹)	Due date for transfer to IEPF Account
1	2010-11	N.A.	N.A.	N.A.
2	2011-12	N.A.	N.A.	N.A.
3	2012-13	N.A.	N.A.	N.A.
4	2013-14	N.A.	N.A.	N.A.
5	2014-15	March 9, 2015	Nil	N.A.
6	2015-16	September 30, 2016	991,627.20	2023
7	2016-17	August 10, 2017	26,078	2024

During the year under review, the Company has not transferred any amount to Investor Education and Protection Fund.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
-----NIL-----				

Note: During the year under review, no shares were credited by the Company to the said demat suspense account.

Distribution of Shareholding as on March 31, 2020

PRABHAT DAIRY LIMITED

Distribution of Shareholding as on 31/03/2020 (TOTAL)

Sr. No.	Category (Amount)	No. of Holders	% To Holders	Amount(₹)	% To Equity
1	1 - 5000	15518	90.42	15,772,880.00	1.61
2	5001 - 10000	743	4.33	6,043,140.00	0.62
3	10001 - 20000	341	1.99	5,041,440.00	0.52
4	20001 - 30000	183	1.07	4,841,170.00	0.50
5	30001 - 40000	59	0.34	2,144,140.00	0.22
6	40001 - 50000	59	0.34	2,759,290.00	0.28
7	50001 - 100000	121	0.71	9,051,560.00	0.93
8	100001 and above	139	0.81	931,107,690.00	95.33
TOTAL:		17163	100.00	976,761,310.00	100.00

Shareholding Pattern as on March 31, 2020

Category	No. of Holders	Total Shares	% To Equity
PROMOTERS	5	48,935,584	50.10
FOREIGN CORPORATE BODIES	2	22,515,473	23.05
BODIES CORPORATES	193	10,377,379	10.62
RESIDENT INDIVIDUALS	16442	6,981,609	7.15
FOREIGN PORTFOLIO – CORP	7	4,397,766	4.50
ALTERNATIVE INVESTMENT FUND	2	2,802,114	2.87
MUTUAL FUNDS	7	555,014	0.57
H U F	406	477,171	0.49
NON RESIDENT INDIANS	216	167,775	0.17
CLEARING MEMBERS	32	64,250	0.07
NON RESIDENT INDIAN NON REPATRIABLE	79	46,463	0.05
NBFC	1	25,000	0.03
QUALIFIED INSTITUTIONAL BUYER	1	64,462	0.06
INDIAN FINANCIAL INSTITUTIONS	1	266,071	0.27
Total	17394	97,676,131	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

Excluding 3 Equity shares of the Company which is held in physical form, all the remaining Equity shares have been dematerialized (NSDL 76.76% and CDSL 23.24 %) as on March 31, 2020. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Dematerialization of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.

- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Karvy Computershare Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted



to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

Outstanding GDRs/ Warrants and Convertible Bonds, conversion date and likely impact on equity:

The Company has neither issued nor is there any outstanding GDRs / Warrants or Convertible Bonds as on March 31, 2020.

The Company's equity shares are listed on the following Stock Exchanges and the listing fees have been duly paid to the Exchanges:

Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	539351
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	PRABHAT

Share Price Data

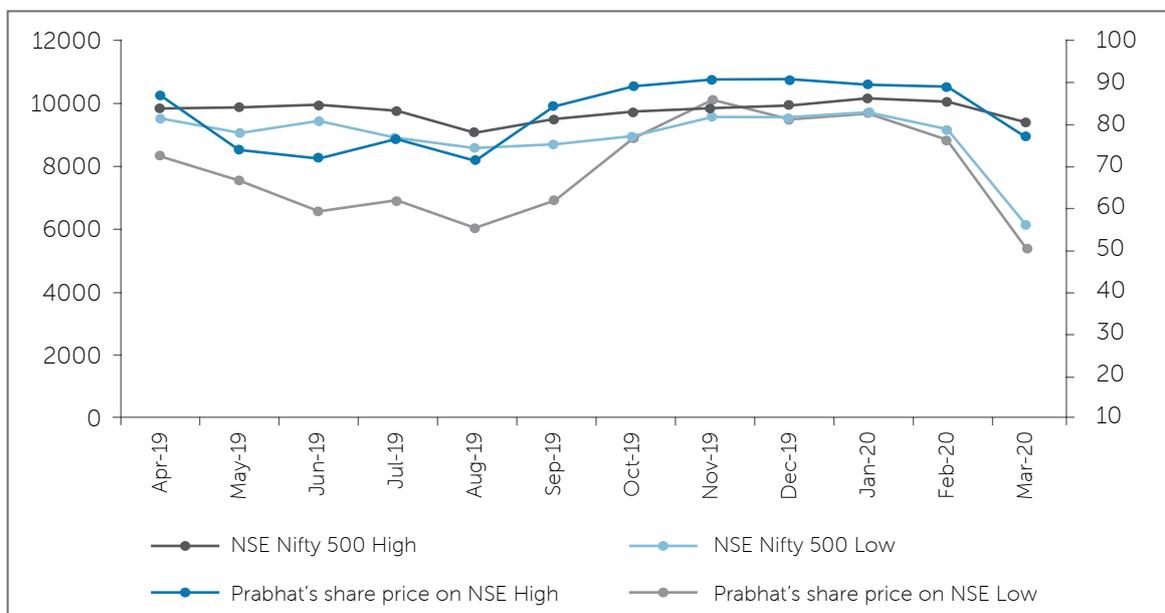
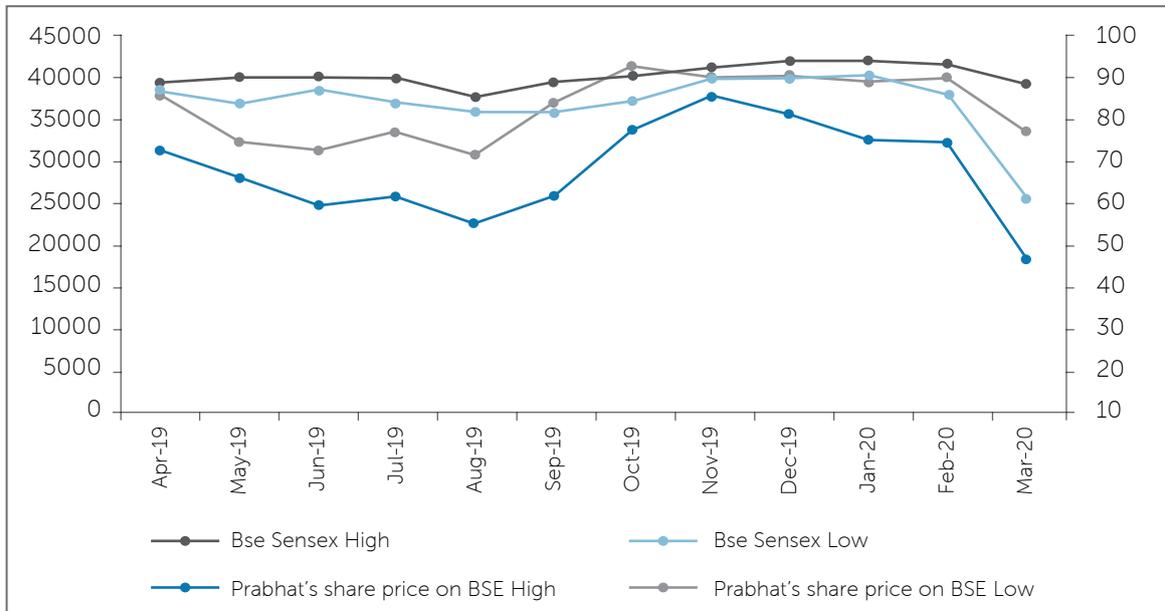
Month	BSE			NSE		
	High	Low	Volume (in lakhs)	High	Low	Volume (in lakhs)
	INR	INR	Nos.	INR	INR	Nos.
Apr-19	85.15	69.75	3.29	85.50	69.65	23.35
May-19	72.00	62.45	1.97	71.30	63.05	12.19
Jun-19	70.00	55.5	1.27	68.90	55.10	13.48
Jul-19	74.9	58.00	1.69	73.90	57.70	17.03
Aug-19	68.75	50.60	0.72	68.50	50.40	9.50
Sep-19	82.30	57.50	2.49	82.50	57.35	31.78
Oct-19	92.00	75.00	2.48	88.00	74.55	13.62
Nov-19	89.10	84.25	0.25	89.90	84.40	10.95
Dec-19	90.00	79.75	0.35	89.90	80.00	6.81
Jan-20	88.20	73.00	0.56	88.60	81.00	8.76
Feb-20	89.00	71.45	1.83	87.90	74.05	20.57
Mar-20	74.80	41.00	0.50	75.10	45.10	8.73

ISIN	:	INE302M01033
Particulars	BSE	NSE
Closing share price as on March 31, 2020 (INR)	54.45	55.10
Market Capitalisation as on March 31, 2020 (INR in Crores)	531.85	538.20

Prabhat's Equity Share Performance vis-à-vis BSE Sensex and NSE Nifty 500

Month	Prabhat's share price on BSE		BSE SENSEX		Prabhat's share price on NSE		NSE NIFTY 500	
	High	Low	High	Low	High	Low	High	Low
Apr-19	85.15	69.75	39487.45	38460.25	85.50	69.65	9826.45	9577
May-19	72.00	62.45	40124.96	36956.10	71.30	63.05	9889.3	9108.45
Jun-19	70.00	55.50	40312.07	38870.96	68.90	55.10	9941.45	9476.1
Jul-19	74.9	58	40032.41	37128.26	73.90	57.70	9805.3	8928.00
Aug-19	68.75	50.60	37807.55	36102.35	68.50	50.40	9103.1	8628.35
Sep-19	82.30	57.50	39441.12	35987.80	82.50	57.35	9552.25	8738.65

Month	Prabhat's share price on BSE		BSE SENSEX		Prabhat's share price on NSE		NSE NIFTY 500	
	High	Low	High	Low	High	Low	High	Low
Oct-19	92.00	75.00	40392.22	37415.83	88.00	74.55	9733.35	9008.85
Nov-19	89.10	84.25	41163.79	40014.23	89.90	84.40	9874.9	9596.85
Dec-19	90.00	79.75	41809.96	40135.37	89.90	80.00	9946.05	9574.85
Jan-20	88.20	73.00	42273.87	40476.55	88.60	81.00	10174.95	9700.35
Feb-20	89.00	71.45	41709.30	38219.97	87.90	74.05	10071.7	9214.1
Mar-20	74.80	41.00	39083.17	25638.90	75.10	45.10	9436.50	6151.6





MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) The unaudited quarterly/ half yearly results are announced within forty five days of the close of the quarter / half year. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations. Any delay in declaration of results shall be intimated to the shareholders through stock exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper viz. "Financial Express" and in local language (Marathi) newspaper viz. "Kesari", within forty-eight hours of approval thereof. Presently, the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.
Any presentation made to the institutional investors or/ and analysts are also posted on the Company's website at <http://www.prabhat-india.in/investor.html>.
- (iv) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Ltd. are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (vi) A separate dedicated section under "Investor Desk", on the Company's website www.prabhat-india.in gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

- (vii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

The Company has designated the email ids dipti.todkar@prabhat-india.in and investor@prabhat-india.in exclusively for investor relation and the same is prominently displayed on the Company's website at <http://www.prabhat-india.in/investor.html>.

Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited; to its dedicated e-mail id i.e. suresh.d@kfintech.com.

Address for Correspondence:

Compliance Officer	Registrar and Transfer Agents	Correspondence with the Company
Mrs. Dipti Todkar Legal & Company Secretary Ph. No. +91 22 41287700 E-mail id: dipti.todkar@prabhat-india.in	KFin Technologies Private Limited Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032	Prabhat Dairy Ltd. Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shirampur, Ahmednagar-413720 Ph. No. +91 22 41287700 E-mail id: investor@prabhat-india.in

Locations:

- Prabhat Dairy Limited**
Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shirampur, Ahmednagar-413720
- Prabhat Dairy Limited**
Tower 1, Seawoods Grand Central, Sector 40, Seawoods Railway Station, 10th floor, Navi Mumbai, Maharashtra - 400706

CEO / CFO Certification

We the undersigned in our respective capacities as Joint Managing Director and Chief Financial Officer of Prabhat Dairy Ltd. ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the Cash Flow Statement for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Prabhat Dairy Ltd.**

Date: 08/10/2020

Place: Shrirampur

Vivek S. Nirmal

Joint Managing Director

Vishwajit Singh

Chief Financial Officer



COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and the same is annexed to this Report.

DECLARATIONS

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and senior management personnel have affirmed compliance with Prabhat Dairy Limited's Code of Business Conduct and Ethics for the year ended March 31, 2020.

Date: 08/10/2020
Place: Shirampur

For Prabhat Dairy Ltd.
Sarangdhar R. Nirmal
Chairman & Managing Director

Independent Auditors' certificate on corporate governance

To The Members of Prabhat Dairy Limited

1. We, KSS & COMPANY, Chartered Accountants, the Statutory Auditors of Prabhat Dairy Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance (the "Guidance Note") issued by the Institute of the Chartered Accountants of India ("ICAI") and the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

KSS & COMPANY
Chartered Accountants
Firm Registration No.: 126322W

Shashank K Suvarnapathaki
Partner
Membership No. : 118070
UDIN: 20118070AAAAET3236

Place: Ahmednagar
Date: 08/10/2020



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company	L01100PN1998PLC013068
2. Name of the Company	Prabhat Dairy Limited
3. Registered address	Gat No. 122, At Ranjankhol, Taluka Rahata, Dist. Ahmednagar – 413720 Tel. No.: 91 2422 265995 Fax No.: NA Email: investor@prabhat-india.in
4. Website	www.prabhat-india.in
5. E-mail ID	investor@prabhat-india.in
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Animal Feeds- 10801, 10802, 10803
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Cattle Feed and Animal Nutrition
9. Total number of locations where business activity is undertaken by the Company	01
10. Markets served by the Company	Domestic Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

	(₹ In lakhs)
1. Paid up capital (INR)	9767.61
2. Total Turnover (INR)	52,181.84
3. Total profit after taxes (INR)	(12,011.27)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	3.99%

5. List of activities in which expenditure in Section B (4) above has been incurred:

The list of activities in which the CSR expenditure mentioned above has been incurred is as follows:-

areas of animal welfare, rural development projects, self-sustaining livelihood projects, women empowerment, enhancing vocational skills

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** As on 31st March, 2020, the Company has TWO subsidiary companies named Cheese Land Agro (India) Private Limited (CLAIPL) and Shrirampur Agri Solutions Private Limited (SASPL).

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

CLAIPL endeavors to participate. SASPL is yet to commence any business activity.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]**

The other entities with whom the Company does business, viz., suppliers, distributors, etc. do not participate in the business responsibility initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1 Details of Director/ Directors responsible for BR

a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies as on March 31, 2020

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprising of the following Directors as its Members (as on March 31, 2020):

Name	DIN	Designation
Dr. Bhaskar Gaikwad	08440915	Chairman of the Committee (Non-executive Independent Director)
Dr. Abdul Samad	07929280	Non-executive Independent Director
Mr. Vaibhav Parjane	08102059	Non-executive Independent Director
Mr. Sarangdhar Nirmal	00035234	Managing Director

b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number (if applicable)	00820923
2.	Name	Mr. Vivek Nirmal
3.	Designation	Joint Managing Director
4.	Telephone Number	91 2422 265995
5.	E-mail ID	Vivek.nirmal@prabhat-india.in

2 Principle-wise (as per NVGs) BR Policy/ policies

a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for..?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The Company has formulated the policies and adopted best practices in its own volition, while being sensitive to the interest of all stakeholders								
3	Does the policy conform to any national / International standards? If yes, specify? (50 words)	The policies have been developed as per the Companies Act, 2013 ("the Act") and SEBI Listing Regulations and the global policies are in line with the global statutory requirements. They are also on the lines of the 'National Voluntary Guidelines on Social, Environment and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.								

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ Appropriate Board Director?	Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory. Yes, however not all policies as it is not a mandatory requirement.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online	The policies formulated and adopted by the Company are available on the website of the Company www.prabhat-india.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	All our policies are available on the website								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent Audit/evaluation of the working of this policy by an internal or external agency?	The working of all the policies is internally monitored. Audit / evaluation by external agencies is carried out wherever mandatory.								

If answer to Sr. No. 2 against any principle, is 'No', please explain why:

NOT APPLICABLE

Governance related to BR

- a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

The BR performance of our Company is measured and evaluated by the CSR Committee and Board of Directors

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the Company's first Business Responsibility Report which forms part of the Annual Report.

The same can be viewed at the Company's website www.prabhat-india.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems, and by engaging and operating with fairness and integrity with all its stakeholders, namely, shareholders, customers, employees, suppliers, regulatory authorities and general public. The Company, as a responsible corporate citizen, is fully aware of its obligations to make appropriate and timely disclosures as mandated under various laws. The Company also refrains from engaging in any practices that are abusive, corrupt or

anti competition. We have adopted policies relating to ethics, bribery and corruption. Our Company follows unwavering and resolved ethical practices which extends from organisational level to all our third parties dealing with us. We are committed to conduct our operations beyond compliance and adhere to our ethical principles. Our Code of Business Conduct is applicable to all our employees, Board of Directors and senior management.

The Company encourages its business partners, viz., suppliers, distributors, contractors, etc. to follow ethics, transparency and accountability in their dealings with the Company.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We uphold and encourage trust of our stakeholders through transparent communication with the Company's position, deeds and performances. Under Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, Whistle Blower policy has been set for employees where they can update and raise awareness against unethical practices within the organization. We have also established an email-id investor@prabhat-india.in for an effective, punctual and assuring redressal mechanism. To attend investors' concern, we also have a dedicated Stakeholders Relationship Committee chaired by Mr. Vaibhav Parjane, an Independent Director.

During the reporting year, we received 1 investor complaint, which was resolved at the end of the year. Many queries are raised by the shareholders with respect to accounts, sale of business transactions, delisting etc which were resolved by the Company.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company believes that in order to function effectively and profitably, the Company needs to endeavor to improve the quality of life of farmers and to ensure this, the Company is required to thoroughly work upon all stages of the product life cycle, right from design to final disposal of the goods after use. The Company supports the development of goods which are environmentally sustainable. As part of the vision, the Company aspires to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include recyclable, renewable, and/or natural materials to the maximum possible extent, through extensive research. The Company aims to bring in supreme quality of

animal feed, world class farming practices and techniques to Indian farmers and to offer end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains. The Company works with close to 10,000 Indian farmers to develop the high quality breed to bridge the demand and supply of milk. Innovation is a key driver of our strategy. The Company is constantly engaged in experimentation and looks for research-based solutions to improve cattle feed, health of animals, farm productivity and thereby, the profitability of farmers.

The Company stays committed to making environmental sustainability a key part of its manufacturing processes. At the Company's units, there is a relentless focus on productivity and environmental sustainability. To strengthen this approach, the Company has invested in a robust technology solution that has revolutionized the speed and accuracy of data monitoring and work towards achieving the targets. The Company is continuously working on energy efficiency and trying to get the best possible technology available in the market. The Company is moving from low efficient to high efficient utility. Technologies implemented by the Company are not only energy efficient but also more reliable.

This has helped the Company to reduce down time, enhance productivity and build a more sustainable business. The Company recognizes the fact that overconsumption results in unsustainable exploitation of the planet's resources, and therefore, it is necessary to promote sustainable consumption of resources, including recycling of resources. The Company endeavors to raise consumer awareness through appropriate labelling and helpful marketing communication. While being vigilant about protection of the Company's own intellectual property, the Company respects the rights of other owners of intellectual property rights in the society at large.

Principle 3 (P3): Businesses should promote the wellbeing of all employees

The Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees. The Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. Also, the safety and health of employees is important to the Company and the Company is committed to building and maintaining a safe and healthy workplace. All employees who join the Company demonstrate their commitment to follow the Code of Conduct by signing in their acceptance to adhere to the same. The Company values diversity and is committed to offering equal opportunities in employment. The Company



does not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, creed, gender, gender identity / expression, sexual orientation, disability, age, or marital status and always allows for equal opportunities for all team members. The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. The details of the Company's workforce as on March 31, 2020, are given in the table below: -

Total number of employees	56
Total number of employees hired on temporary/ contractual/casual basis.	NO
Number of permanent women employees	7
Number of permanent employees with disability	0
Whether the Company has an employee association that is recognized by management	NO
Percentage of permanent employees of the Company who are members of recognized employee association/s	NO
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the Financial Year 2019-20 and pending, as on the end of the said Financial Year, i.e., March 31, 2020	0
Percentage of employees who were given safety and skill upgradation training during the Financial Year 2019-20	100%

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

At Prabhat, we firmly believe that a stakeholder could be just about any person/organisation that could affect or can be affected by our operations. Being part of the society, it is crucial to have ongoing dialogues with our stakeholders.

Has the company mapped its internal and external stakeholders?

We primarily differentiate our stakeholders into four groups with whom we engage in discussions on different issues in various dialogue formats on a regular basis

Partners	Financial markets and Participants	Social interest groups	Regulators
Customers, Suppliers, Employees, Associations	Investors, Bank, Rating agencies	General Public, NGOs, Local Communities, Competitors	Lawmakers, Politicians, Authorities,

Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, we have acknowledged the underdeveloped, vulnerable and marginalised stakeholders. We conduct awareness camps, training sessions and safety meetings, to connect and address their concerns as well as get their feedback. We have identified them as:

- Women
- Handicapped/Specially abled people
- Farmers from marginalised background

Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Principle 8 in this report briefs up the various activities and initiatives taken to address the concerns of our vulnerable and marginalised stakeholders identified above.

Principle 5 (P5): Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company strongly believes in the principle of respect for human rights of all, which imbibes its spirit from the Constitution of India. The Company respects human rights and treat people with dignity and respect in the course of conduct of its business. Further, the Company's Code of Conduct covers aspects like diversity, anti-discrimination, equal opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights. The Company also has policies like Whistle Blower Policy, Policy on Prevention of Sexual Harassment at Workplace, which encourage respect and promotion of human rights. Any violation of the Code of Conduct or the aforesaid policies can result in stern disciplinary

action including termination of employment and / or other appropriate actions as permissible under the law. The Company encourages its business partners to respect human rights. No complaints pertaining to violation of human rights were received by the Company during the Financial Year 2019-20.

Principle 6 (P6): Business should respect, protect, and make efforts to restore the environment.

Protecting our environment is our highest priority for which our mode of function is designed to have minimalistic impact on environment and develop product solutions that shall benefit the environment. The company may undertake such other initiatives in near future.

Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Our policy not only covers our Company but also extends to other third-party bodies. Our products are not only supplied to our customers, but also to our suppliers and contractors as they also play a major role in product development. Their involvement in developing environment-friendly practices and products to deliver sustainable outcome to customers is highly comprehended. This motivates us to support and secure the life and growth of the most unshielded participant of our system, especially farmers who face such uncertainties.

The topics are elaborated below:

- General Safety, Health and Hygiene practices at site
- Safety rules and regulations
- Do's and Don'ts
- Safety work permits
- Job Safety Analysis
- Emergency communication
- Good Housekeeping
- Environmental protection
- Waste Management

3. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Several initiatives are being practiced and few of them have been planned for future.

4. Does the company identify and assess potential environmental risks?

Yes, we have been identifying risks and working on resolving them. Some of the risks identified are:

- Resource depletion
- Air pollution
- Solid waste
- Noise pollution
- Land contamination
- Hazardous waste generation
- Soil contamination
- Spillage

After identifying the specific activities that are responsible for these impacts, we develop action plans for their mitigation and look to minimise their effects.

5. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

We currently do not have any projects related to Clean Development Mechanism.

6. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.

The Company may take initiatives in near future.

7. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?- Not Applicable

8. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - Not Applicable

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:- Not Applicable



2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)- - Not Applicable

Principle 8 (P8): Businesses should support inclusive growth and equitable development.

The Company recognizes the fact that corporate growth and equitable development are interdependent and that the Company owes a responsibility to play its role in the social and economic development agenda of the country. The Company strongly believes that it is accountable to the communities while the Company continues to drive shareholder value. This helps the Company to improve the lives of those at the base of the pyramid, preserve and protect the environment, improve efficiency of operations and generate innovations.. It collaborates with non-profit organizations from time to time. The focus of these programmes is to improve the earning potential of farmers by building their skills and empowering them. The Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken are as follows:

Sr. No.	Enlist the initiatives undertaken by the Company for Supporting Inclusive Development	Amount contributed directly in the initiative by the company (₹ in lakhs)
1.	Cattle Breeding & Development Program	45.30
2.	Veterinary Services (Preventive Healthcare, Extension and Promotion Activities)	2.14

1. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company encourages more and more farmers to participate in these initiatives of the Company.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Company has a customer-centric approach and greatly values the trust, satisfaction and loyalty of its customers.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?
There are no customer complaints/ consumer cases pending as on the end of the financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? No
4. Did your company carry out any consumer survey/ consumer satisfaction trends? No

Financial Statements



Independent Auditors' Report

To the Members of
Prabhat Dairy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Prabhat Dairy Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter

Assets held for Sale and Discontinued Operations

Refer Note 34 of Financial statement

The Company vide agreement dated January 21, 2019 has signed a definitive agreement to sell its dairy business along with its subsidiary Company to Tirumala Milk Products Private Limited for a total consideration of ₹ 1,70,000 Lakhs (including adjustment for net debt outstanding, working capital adjustment and minimum non-current asset level adjustment as agreed with the buyer). The dairy business constitutes 96.39% of the total revenue of the Company.

We have considered this as a key audit matter because of the significance of the said transaction and disclosure requirements as required under 'Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations'.

How Was the Key Audit Matter Addressed in the Audit

Our audit procedures in respect of this matter include:

- 1) Reading definitive agreement to sell to understand the key terms and conditions of the transaction
- 2) Evaluating management's assessment of the consideration received for the disposal, the carrying amount of the net assets sold and the loss on disposal, if any
- 3) Evaluating applicability of 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations' to the said transaction.
- 4) Agreeing the cash consideration received to bank statements in the subsequent period.
- 5) Critically assessing the appropriateness of the Company's disclosures in respect of the disposal including the disclosures related to Non-current assets Held for sale and discontinued operations and the restatement of comparative in Statement of profit and loss.

The Key Audit Matter	How Was the Key Audit Matter Addressed in the Audit
<p>Going Concern Refer Note 44 of Financial statement</p> <p>The Company has entered into an agreement to sell its dairy business along with its subsidiary Company to Tirumala Milk Products Private Limited, which constitutes 96.39% of the total revenue of the Company.</p> <p>In view of the above, the ability of the Company to continue as a going concern is evaluated. It is supported by the cash flow forecasts prepared by the management. Such forecasts include the managements' assumptions regarding the timing of future cash flows and operating results which are by their nature uncertain.</p> <p>We have considered this as a key audit matter as the aforesaid transaction, could have an impact on the financial position of the Company and involves management's assessment and estimate in evaluating going concern assumption.</p>	<p>Our audit procedures in respect of this matter include:</p> <ol style="list-style-type: none"> 1) Reviewing cash-flow forecasts and challenging management's assumptions around future sales, gross margin and operating costs and resulting cash flows; 2) verifying the calculation to ensure the accuracy of the underlying financial data; 3) Analysing the impact of reasonable possible changes in cash flow forecasts and their timing by applying sensitivities to key inputs includes future sales, gross margin and operating costs; 4) Assessing the accuracy of the forecasts by comparing previous forecasts with the Company's actual financial performance; and 5) Assessing the adequacy of the Company's disclosures within the financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Director's report, Shareholders information, Management Discussion and Analysis and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No. 126322W

Shashank K Suvarnapathaki

Place: Shrirampur
Date : October 08, 2020

Partner
Membership No. 118070

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No. 126322W

Shashank K Suvarnapathaki
Partner
Membership No. 118070

Place: Shirampur
Date : October 08, 2020



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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 are held in the name of the Company.
- ii. The inventory (excluding Goods in transit and stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Since the Company has not granted any loans, sub-clause (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we 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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

Statutory dues which were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
NIL						

- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax act 1961	Income tax	35.60	A.Y 2007-08*	Income tax Appellate Tribunal, Pune
Income tax act 1961	Income tax	28.77	A.Y 2009-10*	Income tax Appellate Tribunal, Pune
Income tax act 1961	Income tax	113.79	A.Y 2010-11*	Income tax Appellate Tribunal, Pune
Income tax act 1961	Income tax	16.95	A.Y 2011-12*	Income tax Appellate Tribunal, Pune
Income tax act 1961	Income tax	257.02	A.Y 2012-13*	Income tax Appellate Tribunal, Pune

*A.Y. stands for Assessment Year

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its banks. The Company did not have any loan or borrowings from financial institution, government or any debentures outstanding during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, 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.
- 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 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 stated in paragraph 3(xii) of the 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, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by 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 stated in paragraph 3 (xiv) of the 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, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No. 126322W

Shashank K Suvarnapathaki

Place: Shirampur
Date : October 08, 2020

Partner
Membership No. 118070



ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Prabhat Dairy Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 (ICAI) (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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference

to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were

operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No. 126322W

Shashank K Suvarnapathaki

Place: Shirampur
Date : October 08, 2020

Partner
Membership No. 118070



Balance Sheet

as at 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	Notes	31-Mar-20	31-Mar-19
ASSETS			
Non-current assets			
Property, plant and equipment	13	228.60	-
Capital work-in-progress	14	-	-
Intangible assets	13	2.59	-
Financial assets			
Investments	15	3,258.00	3,258.00
Other financial assets	16	-	-
Income tax assets (net)		-	283.17
Deferred Tax Assets (Net)	12	-	49.84
Other non-current assets	17	-	-
Total non-current assets		3,489.19	3,591.01
Current assets			
Inventories	18	85.40	24.36
Financial assets			
Trade receivables	19	9,238.37	50.08
Cash and cash equivalents	20	0.70	695.65
Bank other than cash and cash equivalents	21	49,595.70	105.00
Other Financial Assets - Loans	22	7,131.42	597.83
Other current financial assets	23	436.49	-
Other current assets	24	2.46	-
Assets Classified as Held for Sale		129,879.27	127,234.39
Total current assets		196,369.80	128,707.31
TOTAL ASSETS		199,859.00	132,298.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	25	9,767.61	9,767.61
Other equity	26	36,069.45	48,083.35
Equity component of other financial instruments		-	-
Retained earnings		-	-
Reserves			
Reserves representing unrealized gains / losses	-	-	-
Other Reserves	-	36,069.45	48,083.35
Total equity		45,837.07	57,850.96
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings		-	-
Provisions		-	-
Other non current liabilities		-	-
Deferred tax liabilities (net)		-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
Borrowings	28	-	-
Trade payables	29	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,314.96	260.73
Other financial liabilities	30	48.10	31.12
Other current liabilities	31	69,961.67	10.18
Provisions	32	21.79	22.30
Current tax liabilities (net)	33	506.83	47.27
Liabilities directly associated with assets classified as held for sale		75,168.59	74,075.76
Total current liabilities		154,021.93	74,447.36
Total liabilities		154,021.93	74,447.36
TOTAL EQUITY AND LIABILITIES		199,859.00	132,298.32

Significant accounting policies

2-3

Notes to the financial statements

4-51

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shirampur

Date: 08 Oct 2020

UDIN. 20118070AAAES7610

For and on behalf of Board of directors of

Prabhat Dairy Limited

CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal

Managing Director

DIN: 00035234

Vishwajit Singh

Chief Financial Officer

Place: Shirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676

Statement of Profit and Loss

for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	Notes	31-Mar-20	31-Mar-19
Revenue from operations	4	49,160.11	7,153.54
Other income	5	3,021.73	-
Total income		52,181.84	7,153.54
Expenses			
Purchase of stock-in-trade	6	51,648.28	6,698.20
Changes in inventories of finished goods, stock-in-trade and work-in-progress	7	(61.04)	54.44
Employee benefits expense	8	529.14	116.21
Finance costs	9	29.88	-
Depreciation and amortisation expense	3	20.12	-
Calf Nutrition Project Expenses		10,077.38	
Other expenses	10	1,157.81	1.29
Total Expenses		63,401.57	6,870.14
Profit before tax		(11,219.73)	283.40
Tax expense:			
Current Tax		790.00	95.83
Short provision for tax relating to prior years		1.54	-
Income tax expense	12	791.54	95.83
Profit for the year from continuing operations		(12,011.27)	187.57
Discontinued operations			
Profit before tax from discontinued operations			277.38
Tax (expense)/ Credits of discontinued operations			(200.30)
Profit from discontinued operations, net of tax		-	477.68
Profit for the year		(12,011.27)	665.25
Other Comprehensive income (OCI) from discontinued operation	11		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of employee benefits obligations			26.49
Other Comprehensive income for the year , net of tax		-	26.49
Total Comprehensive income for the year		(12,011.27)	691.74
Basic & diluted earning per equity share of face value of ₹ 10 each (31 March 2019 ₹ 10)	27		
a) From continuing operations		(12.30)	0.19
b) From discontinuing operations		-	0.49
c) From continuing and discontinuing operations		(12.30)	0.71
Significant accounting policies	2-3		
Notes to the financial statements	4-51		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shrirampur

Date: 08 Oct 2020

UDIN: 20118070AAAAES7610

For and on behalf of Board of directors of

Prabhat Dairy Limited

CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal

Managing Director

DIN: 00035234

Vishwajit Singh

Chief Financial Officer

Place: Shrirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676



Statement of Cash Flow

for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year 31-Mar-20	For the year 31-Mar-19
Cash flow from operating activities		
Profit before tax from :		
Continuing operations	(11,219.73)	283.40
Discontinued operations	-	277.38
Profit before tax including discontinued operations	(11,219.73)	560.78
Adjustments for		
Depreciation and amortization expense	20.12	1,666.17
Loss on sale of property, plant and equipment	-	15.93
Interest income	-	(112.39)
Provision for doubtful debts	-	60.59
Unwinding of interest on preference share	-	(778.89)
Fair Value loss on Derecognition on Preference Share	-	119.20
Finance costs	-	2,128.82
	(11,199.61)	3,660.21
Working capital adjustments		
Decrease/ (Increase) in inventories	(61.04)	1,742.83
Decrease/ (Increase) in trade receivables	(9,188.29)	(2,190.56)
Decrease/ (Increase) in Other Financial Assets	(436.49)	(3,372.92)
Decrease/ (Increase) in Loans & advances	(6,533.59)	
Decrease in Other Non Current Asset	-	425.70
Decrease/ (Increase) in Other Current Asset	(2.46)	(12,693.94)
Decrease/ (Increase) in non current financial assets	(2,644.88)	(135.50)
Decrease/ (Increase) in Loan to employee	-	(104.72)
(Decrease) in other Financial Liabilities	1,109.81	(21.25)
Increase/(Decrease) in other current liabilities	70,388.31	18,439.87
Increase in trade and other payables	8,054.23	4,710.84
Increase/(Decrease) in current provisions and employee benefits	(0.51)	34.96
(Decrease) in non current provisions and employee benefits	-	(47.60)
	49,485.47	10,447.92
Income Tax paid	(791.54)	(160.67)
Net cash flows from operating activities (A)	48,693.93	10,287.25
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment	101.82	(1,840.13)
Receipt of government grants	-	398.25
Proceeds from sale of property, plant and equipment	-	163.09
(Loan Given) / Repayment of loans by Subsidiary	-	(17,241.15)
Interest received	-	113.15
Redemption/(Investment) in bank deposits for more than 3 months	-	7,768.30
Net cash flows used in investing activities (B)	101.82	(10,638.49)
Cash flow from financing activities		
Repayment of borrowings	-	(978.91)
Proceeds of borrowings (net of borrowing cost)	-	24,219.38
Finance charges paid	-	(2,064.16)
Net cash flows from financing activities (C)	-	21,176.31
Net increase / (decrease) in cash and cash equivalents (A + B + C)	48,795.75	20,825.07
Cash and cash equivalents at the beginning of the year	800.65	1,773.27
Cash and cash equivalents at the end of the year	49,596.40	22,598.34

Statement of Cash Flow

for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year 31-Mar-20	For the year 31-Mar-19
Cash and cash equivalents comprise (refer note 18)		
Bank Deposits	49,595.70	753.56
Bank Balances and Cash Equivalents		21,800.00
Cash on hand	0.70	44.79
Cash and Cash equivalents as at the year end	49,596.40	22,598.35
Cash and Cash equivalents from Discontinued operations	-	21,902.70
Cash and Cash equivalents from Continuing operations	49,596.40	695.65
Non- cash financing and investing activities		
Substantial modification in terms of investment in redeemable preference shares into Compulsory convertible preference shares (Refer note 48)	-	11,588.64
Assignment of Trade Receivables received from subsidiary (Refer note 49)	-	23,130.39

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

The Company has elected to present a statement of cash flows that includes an analysis of all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 34.

Debt reconciliation

This section sets out an analysis of debt and movements in debt for each of the year presented :

	Non Current Borrowing	Current Borrowing	Total
Net Debt As at 1 April 2018	4,214.59	8,500.00	12,714.59
Additional Loan taken	371.06	23,848.32	24,219.38
Transaction cost amortisation	18.87	-	18.87
Repayment of Loan	(978.91)	-	(978.91)
Net Debt As at 31 march 2019	3,625.61	32,348.32	35,973.93
Net Debt As at 1 April 2019	3,625.61	32,348.32	35,973.93
Additional Loan taken			-
Repayment of Loan	(3,625.61)	(32,348.32)	(35,973.93)
Net Debt As at 31 march 2020	-	-	-

Significant accounting policies

2-3

Notes to the financial statements

4-51

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shrirampur

Date: 08 Oct 2020

UDIN. 20118070AAAAES7610

For and on behalf of Board of directors of

Prabhat Dairy Limited

CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal

Managing Director

DIN: 00035234

Vishwajit Singh

Chief Financial Officer

Place: Shrirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676



Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2020

(a) Equity share capital (Refer Note 24)

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-2020		31-Mar-2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid				
Opening	97,676,131	9,767.61	976,76,131	9,767.61
Add - Issued during the year	-	-	-	-
Closing	97,676,131	9,767.61	976,76,131	9,767.61

(b) Other equity

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars	Reserves and Surplus			Items of OCI		Total equity
	Capital subsidy	Securities premium account	Retained earnings	Capital reduction reserve	Remeasurements of the net defined benefit Plans	
Balance at April 1, 2018	-	35,601.33	8,820.59	2,960.10	6.96	47,388.98
Profit for the year	-	-	665.25	-	-	665.25
Other comprehensive income for the year	-	-	-	-	26.49	26.49
Total comprehensive income for the year	-	-	665.25	-	26.49	691.74
						-
Transactions with owners, recorded directly in equity						
Contribution by and distribution to owners						
Dividends	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
						-
Balance at 31 March 2019	-	35,601.33	9,485.84	2,960.10	33.45	48,083.35
Profit for the year	-	-	(12,011.27)	-	-	(12,011.27)
Total comprehensive income for the year	-	-	(12,011.27)	-	-	(12,011.27)
						-
Transactions with owners, recorded directly in equity						
Contribution by and distribution to owners						
Dividends	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
Balance at 31 March 2020	-	35,601.33	(2,525.43)	2,960.10	33.45	36,069.45

Significant accounting policies 2-3

Notes to the financial statements 4-51

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shrirampur

Date: 08 Oct 2020

UDIN: 20118070AAAAES7610

For and on behalf of Board of directors of

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Sarangdhar R Nirmal

Managing Director

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Vishwajit Singh

Chief Financial Officer

Place: Shrirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676

Notes

to the financial statements for the year ended 31 March 2020

1. Reporting Entity

Prabhat Dairy Limited ("Prabhat" or "the Company") is a public Company domiciled and headquartered in India. The Company was incorporated on 25 November 1998 as a Private Limited Company and converted to a Public Limited Company on 19 March 2015. Consequent to completion of the its Initial Public Offering ('IPO'), the equity shares of the Company were listed on the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited on 21 September 2015.

The Company is engaged in the business of trading and manufacturing of cattle feed and animal nutrition product.

The Company, along with Cheese Land Agro (India) Private Limited ('wholly owned subsidiary Company), Sunfresh Agro industries Private Limited ('step down subsidiary Company) and Promoter Shareholders (together referred to as 'Group') have entered into a Definitive Sale Agreement on January 21, 2019 with Tirumala Milk Products Private Limited ("The Buyer") for sale of its holding in Sunfresh Agro industries Private Limited. For details refer note 34.

The Company also has incorporated Shrirampur Agri Solutions Private Limited ('wholly owned subsidiary Company), wherein there was no business as on March 31st, 2020.

2. Basis of Preparation

2.1 Statement of compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 08 October 2020.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Company's significant accounting policies are included in Note 3.

2.2 New and amended standards adopted by the company

The Company has applied following standards and amendments for the first time for its annual reporting period commencing from April 1, 2018:

- IND AS 115, Revenue from contract with customers
The Company has adopted IND AS 115 using the modified retrospective method as suggested in para C7 of transition provision of IND AS 115.
- Amendment to IND AS 20, Accounting for government grants and disclosure of government assistance - in case of grants related to assets, an option was available to deduct the grant in arriving at the carrying amount of assets.

These amendments did not have any significant impact on the amounts recognized in current and previous year.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh to two decimal points, unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations
Assets held for sale	Lower of carrying value as per the respective Ind AS and Fair value less cost to sell

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon

Notes

to the financial statements for the year ended 31 March 2020

the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 is included in the following notes:

- Note 12 – recognition of deferred tax assets and MAT credit entitlement: availability of future taxable profit against which deferred tax assets and MAT credit entitlement can be utilized;
 - Note 13 – Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.
 - Note 37 – the Company has received some orders and notices from tax authorities in respect of direct taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and makes provisions for probable losses. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate; and;
 - Note 42– Fair value measurements and valuation processes
- The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value.
- Note 41– measurement of defined benefit obligations: key actuarial assumptions;
 - Impairment of non-financial assets
- In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.
- Effective Interest Rate (EIR) method The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument.

Notes

to the financial statements for the year ended 31 March 2020

- Impairment of financial asset

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.6 Measurement of fair values

A number of 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 finance team has the overall responsibility for all significant fair value measurements, including Level 3 fair values, supported by external experts, whenever required. Fair value measurement are reviewed by the Chief Financial Officer (CFO).

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized 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.

Further information about the assumptions made in measuring fair values is included in Note 46 – Financial instruments.

2.7 Current-non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

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

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include 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:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- 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.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

3. Significant accounting policies

3.1 Revenue recognition

a) Revenue from contracts with customers

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms as agreed with the customers. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

The company does not expect to have any contracts where the period between the transfer of promised goods and service to the customer and payment by customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for time value of money.

b) Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

c) Other

Other items of income are accounted as and when the right to receive payment is established.

3.2 Financial instruments

Recognition and initial measurement

Trade receivables and loans given are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company

considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Classification and subsequent measurements

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

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 derecognised.

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 case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

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.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and cost of the item can be measured reliably. The carrying value of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the year in which they are incurred.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advance' under other non-current assets and cost of asset not ready to use before such date are disclosed under 'Capital Work-in-progress'.

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Depreciation

Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and appropriate disclosure is made in the financial statements.

The management believes that depreciation rates used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Accordingly, depreciation on tangible fixed assets is provided on straight line method at estimated useful lives, which in certain categories of assets is different than the estimated useful life as specified in Schedule II of the Companies Act, 2013 ('Schedule II') and are as under:

Category of asset	Useful life followed (in years)	Useful life as per Schedule II (in years)
Factory Building	15-40	30
Electrical installations	10	10
Plant and equipment	10	15*
Office equipment	3	10
Furniture & Fixtures	16	10
Vehicle	10.56	15
Computers	3	3

*For General laboratory equipment, the useful life as per Schedule II is 10 years.

Freehold land is not depreciated. Acquired assets consisting of leasehold land are recorded at acquisition cost and amortized on straight-line basis based over the lease term.

Additions to tangible fixed assets individually costing ₹ 5,000 or less are depreciated fully in the year of acquisition.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property, plant and equipment is provided up to the date preceding the date of sale or deduction as the case may be. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in 'Statement of Profit and Loss' under 'other income' in case of gains and under 'other expenses' in case of losses.

Depreciation method, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

3.4 Intangible assets

Intangible fixed assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible fixed assets are initially recorded at their acquisition price.

Intangible fixed assets comprising computer software amortised over its estimated useful life of 3 years on a straight line basis, commencing from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Amortization method and useful lives of the intangible fixed assets are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed to reflect the changed pattern.

3.5 Impairment

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

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- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses:

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset increases significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is 180 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

In accordance with Ind AS 36 – Impairment of Assets, the Company assesses, at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indications exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of asset or recoverable amount of cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount is subject to a maximum of depreciable historical cost.

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3.6 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realisable value. Cost of inventories comprise cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining cost "First in First out" method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

Obsolete, defective and unserviceable inventories including slow moving stocks are provided based on technical evaluation. Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses.

Raw material and other supplies held for use in production of inventories are not written down below cost, except in cases where material price have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

3.7 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages and bonus. The undiscounted amount of short-term employee services is recognised as an expense as the related service is rendered by the employees.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund

scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods in which the contribution is due.

Defined benefit plans

The employee's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by discounting the estimated amount of future benefit that employees have earned in the current and prior periods. The liability for gratuity is partly funded, wherein contributions are made on annual basis.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

3.8 Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

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3.9 Income tax

Income tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of tax credits. Deferred tax is not recognised for:

- Temporary differences, related to investments in subsidiaries (in relation to undistributed profits), 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.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognised, are

reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

3.10 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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Contingencies

Provision in respect of loss contingencies relating to claims, litigations assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.11 Leases

Assets held under leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.12 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.13 Government Grants

Grants from government are recognized when there is reasonable assurance that the Company will comply with the specified conditions and that the Grant will be received.

Government grants related to assets are reduced from the carrying value of Fixed assets presented in the Balance sheet. Accordingly, the grant is recognized in the profit and loss account over the life of depreciable assets as a reduced depreciation expense.

3.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief operating decision maker (CODM). The CODM evaluates the performance of the company by segregating the company into two different segments; processing of milk and manufacturing of dairy products and cattle feed business.

The Company's operations are primarily in India, accordingly there is no reportable secondary geographical segment.

The Chief operating decision maker (CODM) consists of Chairman and Managing Director and Joint Managing Director.

3.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.16 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,



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- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in statement of profit or loss.

3.17 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the

year by the weighted average number of equity and equivalent potential dilutive equity shares outstanding during the year, except where the result would be anti-dilutive.

3.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits.

3.19 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.20 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

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4. Revenue from operations

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Sales of products and services		
Sale of products	49,124.01	7,153.54
Sale of services	36.10	-
	49,160.11	7,153.54

5. Other income

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest income		
from banks	2,952.60	-
Short Term capital gain (Mutual fund)	67.66	-
	3,021.73	-

6. Purchase of stock-in-trade

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	51,648.28	6,698.20

7. Changes in inventories of Stock in Trade

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Inventories at the beginning of the year :		
Stock-in-trade	24.36	78.80
Less:		
Inventories at the end of the year:		
Stock-in-trade	85.40	24.36
	-	-
Changes In Inventories:		
Stock-in-trade	(61.04)	54.44
	-	-
(Increase)/ decrease in inventory	(61.04)	54.44

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8. Employee benefit expense

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Salaries, wages and allowances	504.73	105.72
Contribution to provident and other funds (refer note 41)	24.41	4.11
Gratuity expense (refer note 41)	-	2.35
Staff welfare expenses	-	4.03
	529.14	116.21

9. Finance costs

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest on borrowings	29.88	-
Delayed payment of tax	0.00	-
	29.88	-

10. Other expenses

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Harvesting, Packing and Processing charges	8.90	-
Consumption of stores and spare parts	-	-
Repairs and maintenance	-	-
- Machinery	-	-
- Others	5.22	-
Rent including lease rentals (refer note 37)	29.60	-
Rates and taxes	12.77	-
Insurance	13.14	-
Power and fuel	20.99	-
Labour charges	1.06	-
Selling and promotion expenses	7.59	-
Printing & Stationery	7.45	-
Transport and forwarding expenses	24.22	-
Travelling and conveyance	55.00	-
Legal and professional expenses	254.60	-
Payment to auditors (refer note 39)	29.27	-
Corporate Social Responsibility (CSR) (refer note 40)	45.30	1.29
Directors sitting fees	20.25	-
Miscellaneous expenses	622.45	-
	1,157.81	1.29

Notes

to the financial statements for the year ended 31 March 2020

11. Statement of other comprehensive income

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plan	-	26.49
	-	26.49

12. Tax expense

12.1 Amounts recognised in profit and loss

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Current tax		
Current tax on the profit for the year	790.00	269.99
Adjustment of current tax of prior periods	1.54	46.32
Current tax expense	791.54	316.31
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences (refer note (i))	-	(365.62)
MAT credit relating to prior years	-	(55.16)
Deferred tax expense		(420.78)
Tax expense for the year	791.54	(104.47)
Tax expense / (credits) for the year attributable to :		
Continuing operations	791.54	95.83
Discontinuing operations	-	(200.30)
	791.54	(104.47)

12.2 Amounts recognised in other comprehensive income

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	-	-	-	-	26.49	26.49
	-	-	-	-	26.49	26.49

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to the financial statements for the year ended 31 March 2020

12.3 Reconciliation of effective tax rate

(Amount in- INR in Lakhs, unless otherwise stated)

	31/Mar/20		31/Mar/19	
Profit before tax from continuing operations	(11,219.73)		283.40	
Profit before tax from discontinued operations	-		277.38	
Profit Before Tax	(11,219.73)		560.78	
Tax using the company's domestic tax rate of 34.94% (2019 : 34.94%)	(7.05%)	791.54	34.94%	195.95
Tax effect of:				
Effect of non deductible expenses			(0.72%)	(4.07)
Deferred tax on assets held for sale			(8.40%)	(47.11)
Effect of tax exempt income			(38.78%)	(217.49)
Effect of additional allowances for tax purposes			(3.57%)	(20.03)
Effect of previous year adjustments			(1.58%)	(8.84)
Others			(0.51%)	(2.87)
	(7.05%)	791.54	(18.63%)	(104.47)

12.4 Recognised deferred tax asset and liability

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax (asset)		Deferred tax liabilities		Deferred tax (asset)/ liabilities	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Property, plant and equipment		-	827.37	(827.37)	827.37	(827.37)
Intangible assets	(0.78)	0.78		-	(0.78)	0.78
investments at fair value through profit and loss	(110.98)	110.98		-	(110.98)	110.98
On transaction advisory services	(333.22)	333.22		-	(333.22)	333.22
Provision for doubtful debts	-	-		-	-	-
Employee benefits	(7.44)	7.44		-	(7.44)	7.44
Expenses related to IPO	(40.62)	40.62		-	(40.62)	40.62
MAT Credit Entitlement	(384.18)	384.18		-	(384.18)	384.18
Deferred tax (assets)/ liabilities	(877.23)	877.21	827.37	(827.37)	(49.84)	49.84

* Deferred tax assets and liabilities on assets classified as held for sale is recognised at capital gain tax rate in previous year

Deferred tax includes liability of Nil (31 March 2019: ₹ 382.39 lakhs) on account of assets and liabilities classified as held for sale

Notes

to the financial statements for the year ended 31 March 2020

12.5. Movement in deferred tax balances

	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2020
Deferred tax asset/ (liabilities)				
Property, plant and equipment	(827.37)	827.37		-
Intangible assets	0.78	(0.78)		-
Investments	110.98	(110.98)		-
On transaction advisory services	333.22	(333.22)		-
Provision for doubtful debts	-	-	-	-
Employee benefits	7.44	(7.44)		-
Expenses related to IPO	40.62	(40.62)		-
Tax assets/ (Liability)	(334.33)	334.33	-	-
Set off tax	384.18	(384.18)	-	-
Net tax assets/ (liability)	49.84	(49.85)	-	-

	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2019
Deferred tax asset/ (liabilities)				
Property, plant and equipment	(745.74)	(81.63)	-	(827.37)
Intangible assets	(2.36)	3.14	-	0.78
Investments	(105.86)	216.84	-	110.98
On transaction advisory services	-	333.22	-	333.22
Provision for doubtful debts	47.51	(47.51)	-	-
Employee benefits	43.33	(35.89)	-	7.44
Expenses related to IPO	63.17	(22.55)	-	40.62
Tax assets/ (Liability)	(699.95)	365.62	-	(334.33)
Set off tax	526.08	55.16	(197.06)	384.18
Net tax assets/ (liability)	(173.87)	420.78	(197.06)	49.84

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.

The Company has unused tax credit in the form of MAT credit amounting to ₹ 604.48 Lakhs (2019 : ₹ 384.18 lakhs) that are available for offsetting for 15 years against future tax payable by the Company. These will expire from FY 2029-30 to FY 2033-34

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

During the year deferred tax assets of ₹ 49.84 lakhs is transferred to reserve as same was relating to the discontinued business and recoverability of the same is not possible.

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to the financial statements for the year ended 31 March 2020

13. Property, plant and equipment and intangible assets Reconciliation of carrying amount

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total (A)	Software (B)	Total (A+B)
Cost (gross carrying amount)											
Balance as at 01 April 2018	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2019	-	11.19	30.06	14.41	18.60	134.99	12.93	26.19	248.37	2.94	251.31
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	11.19	30.06	14.41	18.60	134.99	12.93	26.19	248.37	2.94	251.31
Balance as at 01 April 2018	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2019	-	0.38	0.50	1.10	0.31	11.30	0.58	5.60	19.77	0.35	20.12
Depreciation and amortisation for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	0.38	0.50	1.10	0.31	11.30	0.58	5.60	19.77	0.35	20.12
As at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2020	-	10.81	29.56	13.31	18.28	123.70	12.35	20.58	228.60	2.59	231.19

i) Contractual Obligations

Refer to Note 37 for disclose of contractual commitments for the acquisition of property, plant and equipment

14. Capital work in progress Reconciliation of carrying amount

Particulars	Electrical Installation	Building	Plant and Machinery	Furniture and fixture	Vehicles	Office Equipments	Computers	Software	Total
Cost (gross carrying amount)									
Balance as at 01 April 2018	-	8.63	160.32	-	-	-	-	-	168.95
Additions	-	63.64	958.74	5.39	-	-	198.56	-	1,226.33
Capitalised during the year	(72.27)	(1,040.47)	(5.39)	(5.39)	-	-	(98.90)	-	(1,217.03)
Held for sale	-	-	(78.59)	-	-	-	(99.66)	-	(178.25)
Balance as at 31 March 2019	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2019	-	-	-	-	-	-	-	-	-
Additions	11.19	30.06	14.41	18.60	134.99	12.93	26.19	-	248.37
Capitalised during the year	(11.19)	(30.06)	(14.41)	(18.60)	(134.99)	(12.93)	(26.19)	-	(248.37)
Balance as at 31 March 2020	-	-	-	-	-	-	-	-	-

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15. Investments

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Equity shares at cost		
(i) Subsidiaries		
2,999,999 (31 March 2019: 99,999;) equity shares of ₹ 10 each shares of Cheese Land Agro (India) Private Limited	3,258.00	3,258.00
Equity shares at FVTPL		
(ii) Others		
a) 2 Shares (31 March 2019 : 2) of ₹ 100 each of Abhyudaya Co-operative Bank	-	-
	3,258.00	3,258.00
Aggregate amount of unquoted investments	3,258.00	3,258.00

ii) The following shall also be disclosed:

16. Other non-current financial assets

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Security deposits	-	-
Other receivables - Govt Authorities	-	-
Margin money deposits	-	-
Interest accrued but not due on fixed deposits - non -current	-	-
Fixed deposits with bank	-	-
	-	-

17. Other non-current assets

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Capital advances	-	-
- Considered good	-	-
- Considered doubtful	-	-
Less: Loss allowance	-	-
Prepaid Expenses	-	-
VAT receivable	-	-
	-	-



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18. Inventories

(Valued at the lower of cost or net realisable value)

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Raw and packing material [including goods-in-transit NIL (31 march 2019: NIL)]	17.85	-
Finished goods [including goods-in-transit of ₹ NIL (31 march 2019: ₹ NIL)]	67.55	
Stock-in-trade [including goods-in-transit of ₹ NIL (31 march 2019: NIL)]	-	24.36
	85.40	24.36

*Valued at the lower of cost or net realisable value

19. Trade receivables

(Unsecured)

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
- Considered good	9,238.37	50.08
- Considered doubtful	-	-
Net Trade receivable	9,238.37	50.08

The Company's exposure to credit risk and loss allowances related to trade receivable are disclosed in note 42

20. Cash and cash equivalents

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Bank balances and cash equivalents	-	695.65
Cash on hand	0.70	-
	0.70	695.65

21. Bank balances other than cash and cash equivalents

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Deposits with banks	49,595.70	105.00
	49,595.70	105.00

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22. Current financial assets- Loans (Unsecured, considered good)

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
To related parties		
Loans to Cheeseland Agro (India) Private Limited (Note no 43)	-	527.83
Recoverable from Directors (Refer Note 43)		70.00
To parties other than related parties		
Loans & Advances	7,131.42	-
	7,131.42	597.83

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 42.

23. Other current financial assets

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
GST Receivable	61.17	-
Security deposits	7.97	-
Other receivables - Govt Authorities	287.20	-
Interest accrued on Bank Deposit	80.15	-
	436.49	-

24. Other current assets

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Other current assets	2.46	-
	2.46	-

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 42.



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25. Share Capital

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Authorised :		
100,000,000 (31 March 2019: 100,000,000) Equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
	10,000.00	10,000.00
Issued and Subscribed and Paid up:		
97,676,131 (31 March 2019 : 97,676,131) equity shares of ₹ 10 each with voting rights	9,767.61	9,767.61
	9,767.61	9,767.61

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

Particulars	As at 31-Mar-2020		As at 31-Mar-2019	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year				
Equity shares	97,676,131	9,767.61	97,676,131	9,767.61
Add: - Equity Shares of Re. 10 each issued	-	-	-	-
At the end of the year				
- Equity shares with voting rights	97,676,131	9,767.61	97,676,131	9,767.61

25.2 Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date:

During the year ended 31 March 2015, after consolidation of equity shares, the Company had issued 66,666,796 fully paid up bonus shares in the ratio of 14 bonus shares against every 1 equity share of ₹ 10/- each held by the shareholders on 12 March 2015, by utilising share premium.

25.3 Rights, preferences and restrictions attached to the shares:

The Company has a single class of equity shares having a par value of ₹ 10 per share. Accordingly all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of equity shareholders are in proportion to their share of paid up equity capital of the Company.

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.

25.4 Particulars of shareholders holding more than 5% shares is set out below:

Name of shareholder	As at 31-Mar-2020		As at 31-Mar-2019	
	No. of shares	% held	No. of shares	% held
Nirmal Family Trust	45,560,584	46.64%	45,560,584	46.64%
India Agri Business Fund Limited	14,038,044	14.37%	14,038,044	14.37%
Societe De Promotion Et De Participation Pour La Cooperation Economique	8,477,429	8.68%	8,477,429	8.68%
Visra ITCL India Ltd (formerly known as IL and FS Trust Company Limited)	7,391,226	7.57%	7,391,226	7.57%

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26 Other equity:

(Amount in- INR in Lakhs, unless otherwise stated)

		As at 31-Mar-20	As at 31-Mar-19
Capital reduction reserve			
At the commencement and at the end of the year	(A)	2,960.10	2,960.10
Securities premium reserve			
At the commencement and at the end of the year	(B)	35,601.33	35,601.33
(i) Retained earnings			
Opening balance		9,485.84	8,820.59
Net profit for the period		(12,011.27)	665.25
Dividends			
Final dividend paid (₹ 0.40 per share)		-	-
Dividend distribution tax on above		-	-
Closing balance	('C)	(2,525.43)	9,485.84
(ii) Other items of OCI			
Opening balance		33.45	6.96
Remeasurement of post-employment benefit obligation		-	26.49
Closing balance	(D)	33.45	33.45
Total (A) + (B) + ('C) + (D)		36,069.45	48,083.35

Nature and purpose of other reserves

Capital Reduction Reserve

Capital reduction reserve is reserve in capital nature. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings

This represents cumulative profits of the company and effects of remeasurement of defined benefit obligations. It will be utilised in accordance with provisions of the Companies Act, 2013

Remeasurement of defined benefit liability (asset)

Remeasurement of defined benefit liability (asset) comprises actuarial gains and losses.

27 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

(Amount in- INR in Lakhs, unless otherwise stated)

		As at 31-Mar-20	As at 31-Mar-19
Profit for the year from continuing operations	A	(12,011.27)	187.57
Profit for the year from discontinuing operations	B	-	477.68
Total Comprehensive income for the year	C	(12,011.27)	691.74
Weighted average number of equity shares of face value of ₹ 10 each outstanding	D	97,676,131	97,676,131
Basic and Diluted earnings per equity share			
- from continuing operations (₹)	A/D	(12.30)	0.19
- from discontinuing operations (₹)	B/D	-	0.49
- from continuing and discontinuing operations (₹)	C/D	(12.30)	0.71



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to the financial statements for the year ended 31 March 2020

28. Borrowings

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
From banks	-	-
	-	-

29. Trade payables

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,314.96	260.73
	8,314.96	260.73

The Company's exposure to liquidity risk are disclosed in note 42.

Note:

*Based on the information available with the company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) There is no interest payable or paid to any suppliers under the said Act.

30. Other financial liabilities

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Current maturities of long-term debt		
Secured		
Term loans	-	-
Employee benefits payable*	-	31.12
Statutory dues payables	3.78	-
Others	44.32	-
	48.10	31.12

* Includes payable to Directors ₹ Nil (31 March 2019: ₹ 4.98 lakhs)

31. Other current liabilities

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Advances from customers	1,406.03	-
Others Liabilities	68,555.64	10.18
	69,961.67	10.18

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to the financial statements for the year ended 31 March 2020

32. Provisions

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Provision for employee benefits		
Gratuity (refer note 41)	-	22.30
Other provision :		
Other provision	21.79	-
	21.79	22.30

33. Current tax liabilities (net)

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Current tax liabilities [net of advance tax]	506.83	47.27
	506.83	47.27

34. Discontinued operations

34.1. Description

The Company along with its subsidiaries Cheese Land Agro (India) Private Limited, Sunfresh Agro Industries Private Limited and Promoter Shareholders (together referred to as 'Group') have entered into a Definitive Sale Agreement on January 21, 2019 with Tirumala Milk Products Private Limited ("The Buyer") to sell the entire Dairy business of Prabhat Dairy Limited vide a Business Transfer Agreement (BTA). Also, post the slump sale, Sunfresh was to take over the entire Dairy business of the Company vide Business Transfer Agreement. The total consideration for these transactions was ₹ 1,70,000 Lakhs (Excluding adjustment for net debt outstanding, working capital and minimum non-current asset level adjustment as agreed with the buyer). The aforesaid sale was subject to certain conditions precedent viz CCI approval, Shareholders approval, Bankers approval etc.

During the year ended March 31, 2019, the Group companies received all the critical approvals and post completing the conditions precedent to the deal, the control was handed over to the buyer w.e.f. April 2, 2019.

Post completion of necessary formalities, the purchase consideration of ₹ 1,31,673.76 Lakhs (₹ 69,616.58 lakhs in Prabhat dairy Limited and ₹ 62,057.17 Lakhs in Cheese Land Agro (India) Private Limited) has been received by the Group companies in the designated escrow accounts on April 10, 2019. The net debt and transaction costs have been settled from the stated escrow accounts.

The adjustments for working capital and minimum non-current asset level adjustment and fulfilment of other conditions pursuant to the contract are under progress.

The Group has classified all its assets and liabilities of the Dairy business as "Held for sale" w.e.f. January 21, 2019 as per the requirements of Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Since, the Fair value of assets and liabilities held for sale is greater than its carrying value less cost to sell, the assets and liabilities held for sale are carried at their respective book values. Also, the Group has not depreciated or amortised non-current assets held for sale w.e.f. January 21, 2019 as per the requirements of IND AS 105.

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Similarly, the Group has disclosed a single amount in the statement of profit and loss comprising the total of the post-tax profit or loss of discontinued operations separately from the results from Continuing operations as per the requirements of IND AS 105. Moreover, the Group has also re-presented the above disclosures for prior periods presented in the Financial Statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

34.2. Financial performance and cash flow information for the year 2019-20 and corresponding previous year 2018-19

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year 31-Mar-20	For the year 31-Mar-19
Revenue	52,181.84	1,91,786.11
Expenses	63,401.57	1,91,508.73
Profit before tax	(11,219.73)	277.38
Income tax expenses		
Current tax (expense)	(791.54)	220.49
Deferred tax credit		(420.79)
Total tax (expense) / credit	(791.54)	(200.30)
Profit for the year from discontinued operations	(12,011.27)	477.68
Other comprehensive income (OCI) from discontinued operation		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of employee benefit obligations	-	26.49
Income tax related to items that will not be reclassified to profit or loss	-	-
Other comprehensive income for the year, net of tax	-	26.49
Total Comprehensive income	(12,011.27)	504.17

34.3. Net Cash flow from discontinued operations / Continuing operations (March 2020)

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year 31-Mar-20	For the year 31-Mar-19
Net cash inflow/(outflow) from operating activities	48,693.93	9,973.24
Net cash inflow/(outflow) from investing activities	101.82	6,602.66
Net cash inflow/(outflow) from financing activities	-	21,176.31

35. Segment Information.

35.1. Description of segments and principal activities

The Chief operating decision maker (CODM) consisting of Chairman and Managing Director and Joint Managing Director, examines the Company's performance for the following two reportable segments of its business:

- 1: Processing of milk and manufacturing of dairy products
This part of the business manufactures and sells milk and dairy products to institutional and retail customers. The CODM monitors the performance milk business separately from other segment.
- 2: Cattle Feed
This part of the business deals in trading of cattle feed. The CODM monitors the performance in cattle feed.

Notes

to the financial statements for the year ended 31 March 2020

35.2. Segment wise Revenue, Results and Capital Employed for year ended March 31, 2019 and corresponding year ended March 31, 2018

Sr. No.	Particulars	Year Ended	
		31 Mar 2020	31 Mar 2019
1	Segment Revenue from operations		
(i)	Processing of milk and manufacturing of dairy products (Discontinued operation)	-	190,761.29
(ii)	Cattle feed (Continuing operation)	49,160.11	7,153.54
	Total	49,160.11	197,914.83
2	Segment Results		
(i)	Processing of milk and manufacturing of dairy products (Discontinued operation)	-	277.38
(ii)	Cattle feed (Continuing operation)	(11,219.73)	283.40
	Total	(11,219.73)	560.78
3	Segment Assets		
(i)	Processing of milk and manufacturing of dairy products (Assets classified as held for sale)	129,879.27	127,234.39
(ii)	Cattle feed (Continuing operation)	199,858.99	5,063.93
	Total Assets	329,738.27	132,298.32
4	Segment Liability		
(i)	Processing of milk and manufacturing of dairy products (Liabilities classified as held for sale)	75,168.59	74,075.76
(ii)	Cattle feed (Continuing operation)	154,021.93	371.60
	Total Liabilities	229,190.52	74,447.36
5	Capital expenditure		
(i)	Processing of milk and manufacturing of dairy products (Liabilities classified as held for sale)	-	1,840.13
(ii)	Cattle feed (Continuing operation)	-	-
6	Depreciation & Amortization		
(i)	Processing of milk and manufacturing of dairy products (Expenses associated with assets classified as held for sale)	20.12	1,666.17
(ii)	Cattle feed (Continuing operation)	-	-
7	Non cash expenses other than Depreciation & Amortization		
(i)	Processing of milk and manufacturing of dairy products (Non Cash Expenses associated with assets classified as held for sale)	-	179.79
(ii)	Cattle feed (Continuing operation)	-	-
8	Revenue from customer more than 10% of revenue*		
(i)	Processing of milk and manufacturing of dairy products (Revenue associated with assets classified as held for sale)	-	-
(ii)	Cattle feed (Continuing operation)	-	2,442.04

* The revenue from customers more than 10% of revenue represents revenue from continuing operations.



Notes

to the financial statements for the year ended 31 March 2020

36. Revenue from contracts with customers

36.1. First time adoption

Effective April 1, 2018, the Company has adopted IND AS 115 using the modified retrospective method as suggested in para C7 of transition provision of IND AS 115. Adoption of IND AS 115 has no significant impact on revenue, profit before tax and profit after tax of the Company.

36.2. Disaggregation of revenue

The company derives revenue from the transfer of goods and services to its institutional & retail customers, at a point in time of milk and various milk products & cattle feed business.

(Amount in- INR in Lakhs, unless otherwise stated)

	Year ended 31-Mar-2020			Year ended 31-Mar-2019		
	Milk & Milk Products	Cattle Feed	Total	Milk & Milk Products	Cattle Feed	Total
Sales of products and services						-
Sale of products	-	49,160.11	49,160.11	140,647.23	-	140,647.23
Sale of Traded Goods	-	-	-	49,836.78	7,153.54	56,990.32
Sale of services	-	-	-	218.31	-	218.31
Revenue from contract with customers	-	49,160.11	49,160.11	190,702.32	7,153.54	197,855.86
Add: Other operating revenue	-	3,021.73	3,021.73	58.97	-	58.97
Revenue from operations	-	52,181.84	52,181.84	190,761.29	7,153.54	197,914.83
Less: Revenue from disposal group classified as held for sale	-	-	-	(190,761.29)	-	(190,761.29)
	-	52,181.84	52,181.84	-	7,153.54	7,153.54

(All revenue derived from India)

36.3. For assets related to contracts with customers refer note 18

36.4. Information on performance obligation

In case of goods, the Company satisfies performance obligation upon shipment in case of Ex-works and on delivery in case of door delivery terms. In case of services, performance obligation is satisfied upon completion of service. Payment terms are ranging from 30 to 90 days.

Sale of goods excludes Goods and service tax but includes excise duty collected from customers of Nil (31 March 2019: Nil). Sale of goods net of excise duty is ₹ 49,160.11 lakhs (31 March 2019: 190702.32 lakhs). Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2020 is not comparable 31 March 2019.

Notes

to the financial statements for the year ended 31 March 2020

37. Contingent liabilities and commitments (to the extent not provided for):

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
a) Income Tax Matters [refer sub-note (i)]		
Financial year 2006-07	35.60	35.60
Financial year 2008-09	28.77	28.77
Financial year 2009-10	113.80	113.80
Financial year 2010-11	16.95	16.95
Financial year 2011-12	257.02	257.02

Notes:

- i) The Company is contesting the demands related to Income Tax matters and the management believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		56.98
Other commitments (refer sub-note a)	-	0.90
	-	57.88

Notes:

- a) The Company has taken land on lease from Directors and relatives of directors for a period ranging from 10 years to 30 years starting from October, 1999. In terms of the said lease agreement, the Company is required to pay an annual rent of ₹ 8,190 pa. However, the Company has received a letter of waiver from them indicating that the total rent payable since inception of the lease till March 2017 has been waived and that the Company is not required to pay any lease rent for the above referred period.
- b) **Contingent Liabilities and Commitments:** - The Company has entered into a Definitive Sale Agreement on January 21, 2019 with Tirumala Milk Products Private Limited ("The Buyer") to sell the entire dairy business of Prabhat Dairy Limited vide a Business Transfer Agreement (BTA) and sale of its subsidiary Sunfresh Agro Industries Private Limited by way of a slump sale on a going concern basis for a total consideration of ₹ 1,70,000 Lakhs (excluding adjustment for net debt outstanding and working capital adjustment as agreed with the buyer). The aforesaid sale was subject to certain conditions precedent viz CCI, Shareholders, Bankers etc.

The deal was completed in April 2019 but working capital adjustments with Buyer are still open. Due to COVID-19, there was a nationwide lockdown, and the company could not complete the working capital adjustments and complete the business transaction with the buyer. The management believes that the same will be completed in a short time during the FY 2020-21. The accounting impact will be given once the transaction is completed.

The company has received ₹ 1,316.79 Crores as disclosed in the Annual report FY 2018-19 post debt repayment.

Notes

to the financial statements for the year ended 31 March 2020

With regard to said transaction Prabhat Dairy Ltd and its wholly owned subsidiary, i.e. Cheeseland Agro India Private Limited would like to disclose aggregate contingent liability of ₹438.00 Crores as divided under two heads:

- As per the indemnity clause in the Business Transfer Agreement (BTA) and Share Purchase Agreement (SPA) performance guarantee agreed with the buyer is 12% of the transaction consideration. This indemnity is applicable for periods of 3, 5 and 7 years, respectively, for various purposes – ₹ 204.00 Crores
- As per management estimate transaction costs and taxes at aggregate levels - ₹ 234.00 Crores

38. Operating leases

The Company has entered into operating lease arrangements for office space. Lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement and there are no non-cancellable arrangements. Total lease rental expenses for operating leases recognised in Statement of Profit and Loss is ₹ 1,80,000/-

39. Payment to auditors

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Statutory audit fees	25.15	20.00
Limited review **	4.12	6.00
Other services	-	-
Out of pocket expenses reimbursed	-	0.52
	29.27	26.52

*Figures are excluding goods and service tax (GST)

40. Corporate Social Responsibility (CSR)

As per provisions of section 135 of Companies Act 2013, the Company was required to spend ₹ 23.75 lakh (2019 : ₹ 28.08 lakhs) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Company has spent ₹ 47.44 lakh (2019 : ₹ 35.31 lakhs) towards Corporate Social Responsibility activities.

The breakup of expenditure incurred on CSR activities during the year (April 2019 - March 2020):

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars of CSR activity	Amount paid	Amount yet to be paid	Total Amount
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above (Majorly towards for Livelihood enhancement and rural development).	47.44	-	47.44

The breakup of expenditure incurred on CSR activities during the year (April 2018 - March 2019):

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars of CSR activity	Amount paid	Amount yet to be paid	Total Amount
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above (Majorly towards for Livelihood enhancement and rural development).	35.31	-	35.31

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to the financial statements for the year ended 31 March 2020

41. Liabilities relating to employee benefits

The Company contributes to the following post-employment defined benefit plans.

(i) 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 contributions plans. The Company has no obligation other than to make specified contributions. The contribution are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund is ₹ 23.28 lakhs (2019: ₹ 113.60 Lakhs). The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

- a) Contribution to provident and other funds attributable to continuing operations charged to statement of profit & loss Account

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Total Contribution to Provident and other funds	23.28	113.60
Less:- Contribution to provident and other funds attributable to discontinuing operations	-	109.49
Contribution to provident and other funds attributable to continuing operations	23.28	4.11

(ii) Defined Benefit Plan:

Actuarial gains and losses in respect of defined benefit plans are recognised in Other Comprehensive Income. The Defined Benefit Plan comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Defined benefit obligation as at the end of the year		237.37
Defined benefit Plan Assets as at the end of the year		151.29
Liability for Gratuity Net liability recognised in the Balance Sheet as at the end of the year	-	86.08
Non-current	-	-
Current	-	86.08
Net liability gratuity recognised in the Balance Sheet as at the end of the year attributable to discontinuing operations	-	63.78
Net liability gratuity recognised in the Balance Sheet as at the end of the year attributable to continuing operations	1.81	22.30



Notes

to the financial statements for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
A. Reconciliation of the net defined benefit liabilities		
i. Reconciliation of present value of defined benefit obligation		
Present value of defined benefit obligation as at beginning of the year	237.37	199.30
Current service cost	-	58.48
Past Service cost	-	
Interest cost	-	14.99
Settlement cost / (credit)	-	(9.23)
Benefits paid	-	-
Actuarial (gains) / losses recognised in other comprehensive income		
- experience adjustment	-	(26.17)
	237.37	237.37
ii. Reconciliation of present value of defined benefit Plan		
Fair value of plan assets as at beginning of the year	151.29	74.09
Contribution made during the year		73.11
Transfer in / (Out)		3.26
Mortality charges		(3.21)
Return on plan assets		8.36
Actuarial (gains) / losses recognised in other comprehensive income		(4.64)
- experience adjustment		0.32
		-
Fair value of plan Assets	151.29	151.29
iii. Amounts to be recognised in the Balance Sheet		
Present value of defined benefit obligation	237.37	237.37
Defined benefit Plan Assets		151.29
Net liability recognized in Balance Sheet	237.37	86.08
Net gratuity liability attributable to discontinuing operations	-	63.78
Net gratuity liability attributable to continuing operations	22.30	22.30
iv. Expenses recognised in the Statement of Profit and Loss		
Current service cost	-	58.48
Past Service cost	-	-
Interest cost	-	14.99
Return on plan assets	-	(8.36)
	-	65.11
Gratuity liability attributable to discontinuing operations		62.76
Gratuity liability attributable to continuing operations		2.35
v. Remeasurement reconised in other comprehensive income		
Actuarial (gain)/ losses on defined benefit obligation	-	(26.17)
Actuarial (gain)/ losses on defined benefit Plan assets	-	(0.32)
Net Actuarial (gain)/ losses	-	(26.49)

Notes

to the financial statements for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
B. Defined benefit obligations		
i. Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate (per annum)		7.80%
Salary escalation rate		9.00%
Attrition rate		4.00%
Expected average remaining lives of employees (In Years)		14.61

Assumptions regarding future mortality have been based on published standard table in accordance with Indian Assured Lives Mortality (2006-08) ultimate. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

The discount rate is based on the prevailing market yield of Indian government securities as at Balance sheet date for the estimated terms of obligation.

Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

ii. 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:

	31-Mar-2020		31-Mar-2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)			(18.56)	22.39
Future salary growth (1% movement)			19.75	(16.83)
Attrition rate (1% movement)			(1.60)	1.84

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

42. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

Notes

to the financial statements for the year ended 31 March 2020

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31-Mar-20

	Note	Carrying amount			
		FVTPL	FVTOCI	Amotised Cost	Total
Financial assets measured at fair value					
Investments		-	-	-	-
Investments in Preference share of Subsidiary				-	-
Financial assets					
Trade receivables		-	-	9,238.37	9,238.37
Cash and cash equivalents		-	-	0.70	0.70
Bank balances other than cash and cash equivalents		-	-	49,595.70	49,595.70
Current financial assets-Loans		-	-	7,131.42	7,131.42
Other non-current financial asset		-	-	436.49	436.49
Other current assets		-	-	2.46	2.46
		-	-	66,405.13	66,405.13
Financial liabilities					
Long term borrowings				-	-
Short term borrowings				-	-
Trade payables				8,314.96	8,314.96
Other current liabilities				69,961.67	69,961.67
Other current financial liabilities				48.10	48.10
		-	-	78,324.73	78,324.73

Quantitative disclosures fair value measurement hierarchy for assets and liabilities

	Fair Value			
	Level 1	Level 2	Level 3	Level 4
Investments	-	-	-	-

31-Mar-19

	Note	Carrying amount			
		FVTPL	FVTOCI	Amotised Cost	Total
Financial assets measured at fair value					
Investments		-	-	-	-
Financial assets not measured at fair value					
Trade receivables		-	-	50.08	50.08
Cash and cash equivalents		-	-	695.65	695.65
Bank balances other than cash and cash equivalents		-	-	105.00	105.00
Loans		-	-	597.83	597.83
		-	-	1,448.56	1,448.56
Financial liabilities					
Trade payables		-	-	260.73	260.73
Other current financial liabilities		-	-	31.12	31.12
		-	-	291.85	291.85

Notes

to the financial statements for the year ended 31 March 2020

Quantitative disclosures fair value measurement hierarchy for assets and liabilities

	Fair Value			
	Level 1	Level 2	Level 3	Level 4
Investments	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Long term borrowings (directly associated with assets classified as Held for Sale)	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using risk-adjusted discount rate	Not applicable	Not applicable
Investment in Preference shares (directly associated with assets classified as Held for Sale)	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using risk-adjusted discount rate	Not applicable	Not applicable

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Accordingly, unquoted equity shares have been considered as Level 3 financial instrument. The carrying amount of unquoted equity shares is not considered material and hence it has not been fair valued and carrying amount for the same has been considered as the fair value.

Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Valuation processes

The Finance team performs the valuation of financial assets and liabilities required for financial reporting purposes. The fair valuation results are reviewed by the CFO.



Notes

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i. 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 a Risk Management Framework which is reviewed and monitored by the Risk Management Committee. 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 limits and controls and to monitor risks and adherence to limits. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities expose it to market risk, liquidity risk, interest risk and credit risk.

This note explains the sources of risk to which the Company is exposed to and how the entity manages the risk.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). As on 31 March, 2020 and 31 March, 2019 there was no exposure in foreign currency of receivable as well as payable.

iii. 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. Credit risk arises principally from the Company's receivables from statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as mentioned in Note 13, 14 & 17 to 21.

The Company uses expected credit loss model to assess the impairment loss or gain. The Company computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Company's historical experience for customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry / sector in which customers operate.

Notes

to the financial statements for the year ended 31 March 2020

The following table gives details in respect of revenue generated from top ten customers:

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Revenue from top ten customer	27,411.13	5,568.17

Credit risk exposure

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

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Balance at the beginning	-	87.29
Impairment loss recognized/ (Reversed)	-	60.59
Provision for Impairment loss attributable to discontinued operations	-	(147.88)
Balance at the end	-	-

The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior.

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period.

iv. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligation as they become due.

The Company's principal sources of liquidity are cash and cash equivalents, working capital facility with banks and the cash flows that are generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March 2020, the Company had a working capital of ₹ 42,347.87 Lakhs and as at 31 March 2019 of ₹ 54,259.95 lakhs. The working capital of the Company for this purpose has been derived as follows:

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Total current asset (A)	196,369.80	128,707.31
Total current liabilities (B)	154,021.93	74,447.36
Working capital (A-B)	42,347.87	54,259.95

The working capital as at 31 March 2020 calculated above includes cash and cash equivalents of ₹ 0.70 lakhs and deposits with banks of ₹ 49,595.70 lakhs. Also, the working capital as at 31 March 2019 calculated above includes cash and cash equivalents of ₹ 695.65 lakhs and deposits with banks of ₹ 105.00 lakhs.

Notes

to the financial statements for the year ended 31 March 2020

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

31-Mar-20

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	8,314.96	(8,314.96)		(8,314.96)	-	-	-
Employee benefits payable	-	-	-	-	-	-	-
	8,314.96	(8,314.96)	-	(8,314.96)	-	-	-

31-Mar-19

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	260.73	(260.73)		(260.73)	-	-	-
Employee benefits payable	31.12	(31.12)		(31.12)	-	-	-
	291.85	(291.85)	-	(291.85)	-	-	-

v. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

Exposure to currency risk

The company has no significant exposure to currency risk as on balance sheet date 31 March 2020 & 31 March 2019

	As at 31 March 2020		As at 31 March 2019	
	INR	EURO	INR	EURO
Financial liabilities				
Payable for purchase of fixed assets	-	-	-	-
Net exposure on respect of recognised liabilities	-	-	-	-

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
EURO	80.08	78.84	83.10	77.05

Sensitivity analysis

As the Company does not have significant amount of transactions in foreign currency, a reasonably possible strengthening/ (weakening) of the Indian Rupee against EURO would not have a material impact on the profit or loss or equity.

vi. 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 investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Notes

to the financial statements for the year ended 31 March 2020

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Fixed-rate instruments	49,595.70	105.00
Financial assets	-	-
Financial liabilities		
Variable-rate instruments		
Financial liabilities		

Fair value sensitivity analysis for fixed-rate instruments

A change of 100 basis points in interest rate would have increased or decreased profit or loss by ₹ 495.96 (31 March 2019: ₹ 1.05 lakhs). This analysis assumes that all other variables remain constant.

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) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31-Mar-20				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity	-	-	-	-
31-Mar-19				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity	-	-	-	-

* for financial year ended 31 March 2020, fixed and variable instruments outstanding from continuing business considered for the analysis.

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 Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Total debts	-	-
Less : Cash and cash equivalent and bank balances	49,596.40	800.65
Adjusted net debt	(49,596.40)	(800.65)
Total equity	45,837.07	57,850.96
Adjusted net debt to adjusted equity ratio	-108.20%	-1.38%



Notes

to the financial statements for the year ended 31 March 2020

43. Related party relationships, transactions and balances

a) Individuals having control over the Company (Key management personnel)

Mr. Sarangdhar R. Nirmal, Chairman & Managing Director
 Mr. Vivek S. Nirmal, Joint Managing Director
 Mr. Raviraj Vahadane, Chief Financial Officer (upto August 26, 2019)
 Ms. Vishwajit Singh, Chief Financial Officer (w.e.f. March 16, 2020)
 Ms. Dipti Todkar, Company Secretary

b) Names of the related parties with whom transactions were carried out during the period and description of relationship :

Trust which directly controls reporting Company and in which KMPs are interested.

Nirmal Family Trust
 Nirmal Rural Multipurpose Institute

Subsidiary Companies

Cheese Land Agro (India) Private Limited
 Sunfresh Agro Industries Private Limited
 Shrirampur Agri Solutions Pvt. Ltd.

Relatives of key management personnel :

Mrs. Nidhi V. Nirmal
 Mr. Kishor R. Nirmal
 Mrs. Vijaya S. Nirmal
 Mrs. Sneha Nirmal-Astunkar
 Mr. Vishal Astunkar

Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence :

Nirmal Gogross LLP

Particulars	Entity which has a substantial interest in reporting Company and in which KMPs are interested	Subsidiary Company (Direct Holding)	Subsidiary Company (Indirect Holding)	KMP / relatives of KMP *	Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence	INR
						Total
Purchase of goods:-						
	Cheese Land Agro (India) Private Limited		6,928.06			6,928.06
	Sunfresh Agro Industries Private Limited		-			-
	Prabhat Agro. Multi State Co- Operative Society Limited		(64,217.43)			(64,217.43)
					(5,513.95)	(5,513.95)
						-

Notes

to the financial statements for the year ended 31 March 2020

Particulars	Entity which has a substantial interest in reporting Company and in which KMPs are interested	Subsidiary Company (Direct Holding)	Subsidiary Company (Indirect Holding)	KMP / relatives of KMP *	Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence	INR
						Total
Sale of goods:-						-
Sunfresh Agro Industries Private Limited			1,659.17			1,659.17
			(81,095.33)			(81,095.33)
Corporate Social Responsibility (CSR) expenses						-
Nirmal Rural Multipurpose Institute					45.30	45.30
					(4.36)	(4.36)
						-
Fair Value loss on conversion of Preference Share						-
Sunfresh Agro Industries Private Limited						-
			(119.20)			(119.20)
						-
Unwinding of interest & Fair value adjustment on preference shares						-
Sunfresh Agro Industries Private Limited						-
			(778.89)			(778.89)
						-
Assignment of receivable & advance received						-
Sunfresh Agro Industries Private Limited						-
			(6,417.07)			(6,417.07)
						-
Cheese Land Agro (India) Private Limited						-
			(16,793.32)			(16,793.32)
						-
Loan to subsidiary						-
Cheese Land Agro (India) Private Limited						-
			(17,241.15)			(17,241.15)
						-
						-
Managerial Remuneration						-
Sarangdhar R. Nirmal	-	-	-	22.00	-	22.00
	-	-	-	(22.00)	-	(22.00)
Vivek Nirmal	-	-	-	38.00	-	38.00
	-	-	-	(2.00)	-	(2.00)
						-
Salary						-
Raviraj Vahadane	-	-	-	15.00	-	15.00
	-	-	-	(36.22)	-	(36.22)
Priya Nagmoti				-		-
				(18.85)		(18.85)



Notes

to the financial statements for the year ended 31 March 2020

Particulars	Entity which has a substantial interest in reporting Company and in which KMPs are interested	Subsidiary Company (Direct Holding)	Subsidiary Company (Indirect Holding)	KMP / relatives of KMP *	Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence	INR
						Total
Vishwajit Singh	-	-	-	16.58	-	16.58
	-	-	-	(16.58)	-	(16.58)
Dipti Todkar	-	-	-	23.00	-	23.00
	-	-	-	(10.21)	-	(10.21)
Relatives of KMPs	-	-	-	94.34	-	22.76
	-	-	-	(22.76)	-	(22.76)
				-		-
Lease Rent payment						-
Sarangdhar R. Nirmal	-	-	-	1.80	-	1.80
						-
Loans and advances Recovered						-
Cheese Land Agro (India) Private Limited	-	527.83	-	-	-	527.83
	-	-	-	-	-	-
						-
Investment in equity share						-
Cheese Land Agro (India) Private Limited	-	-	-	-	-	-
	-	-	-	-	-	-
						-
Balances outstanding at the end of the year						-
						-
Investment held in equity shares by Company						-
Cheese Land Agro (India) Private Limited	-	3,258.00	-	-	-	3,258.00
	-	(3,258.00)	-	-	-	(3,258.00)
Sunfresh Agro Industries Private Limited (Including equity component of investment in preference shares)			18,525.70			18,525.70
			(18,525.70)			(18,525.70)
						-
Investment held in 0.01% non cumulative Compulsory Convertible preference share **						-
Sunfresh Agro Industries Private Limited			18,588.64			18,588.64
			(18,588.64)			(18,588.64)
						-
Trade Payable						-
Prabhat Agro. Multi State Co-Operative Society Limited	-	-	-	-	-	-
	-	-	-	-	(89.20)	(89.20)
Cheese Land Agro (India) Private Limited		1,200.97				1,200.97
						-

Notes

to the financial statements for the year ended 31 March 2020

Particulars						INR
	Entity which has a substantial interest in reporting Company and in which KMPs are interested	Subsidiary Company (Direct Holding)	Subsidiary Company (Indirect Holding)	KMP / relatives of KMP *	Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence	Total
Loan to subsidiary						-
Cheese Land Agro (India) Private Limited						-
		(527.83)				(527.83)
Advance to suppliers						-
Nirmal Rural Multipurpose Institution	-	-	-	-	-	-
	-	-	-	-	(18.00)	(18.00)
					-	-
Advance from customers						-
Sunfresh Agro Industries Private Limited						-
			(28,333.83)			(28,333.83)
						-
Recoverable from Director						-
Vivek Sarangdhar Nirmal						-
				(22.00)		(22.00)
Sarangdhar Ramchandra Nirmal						-
				(48.00)		(48.00)
						-
Employee Benefits Payable						-
Vivek Sarangdhar Nirmal	-	-	-	-	-	-
	-	-	-	(1.81)	-	(1.81)
Sarangdhar Ramchandra Nirmal	-	-	-	-	-	-
	-	-	-	(3.17)	-	(3.17)
						-
Post employment benefits						-
Vivek Sarangdhar Nirmal	-	-	-	-	-	-
	-	-	-	(6.00)	-	(6.00)
Sarangdhar Ramchandra Nirmal	-	-	-	-	-	-
	-	-	-	(20.00)	-	(20.00)
Dipti Todkar	-	-	-	-	-	-
	-	-	-	(0.24)	-	(0.24)
Relatives of KMPs	-	-	-	-	-	-
	-	-	-	(1.84)	-	(1.84)

Notes:

a) Figures in bracket relate to the previous year.

* The Company has taken Land on lease from Directors and relatives of directors for a period 10 years from April, 2019. In terms of the said lease agreement, the Company is required to pay an annual rent of ₹ 1.80 lakh p.a..

** Carrying value of Preference shares as on March 31, 2019 are at amortised cost .



Notes

to the financial statements for the year ended 31 March 2020

With respect to transactions with related parties, the Company is of view that such transactions have been carried out at arms length and conditions/ provisions as laid down in section 188 of the Companies Act, 2013 have been complied with.

Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party.

44 Going Concern

Till the previous year, the cattle feed business constituted major business of the Company. The sale of Dairy business casts significant doubt on the entity's ability to continue as a going concern. However, no material uncertainty exists.

The Sale consideration receivable is higher than the net asset value of the Dairy business. The sales proceeds will be used to discharge all the liabilities of the Dairy business and the surplus will be used for distribution to shareholders after transaction costs, taxes and other indemnity commitments.

Post the sale of Dairy business, the Company intends to focus on cattle feed business and has proposed merger of its subsidiary Cheese Land Agro (India) Private Limited with itself, currently pending for approval with 'the Regional Directorate'.

Based on the projections for cattle feed business provided, the management of the Company is confident that it will be in the position to repay its liabilities relating to cattle feed business as and when they arise.

Hence, financials statements of the Company are prepared on a going concern basis.

45 Proposed Merger with Cheese Land Agro (India) Private Limited

The Company with Cheese Land Agro (India) Private Limited, a wholly owned subsidiary had filed an application for merger under Section 233 of Companies Act, 2013. However scheme of Amalgamation and Arrangement involving merger of Cheese Land Agro (India) Private Limited with Prabhat Dairy Limited in accordance with the Section 233 of the Companies Act, 2013 was not approved by Hon'ble Regional Director of Western Zone and had advised to file a fresh application with National Company Law Tribunal (NCLT). The Board of directors of Prabhat Dairy Limited at its meeting held on 14th February, 2020 had considered and approved the Scheme of Amalgamation (Merger by Absorption) ('Scheme') of Cheese Land Agro (India) Private Limited ('Cheese Land' or 'Transferor Company') with Prabhat Dairy Limited ('PDL' or 'Transferee Company') and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed there under. The Company has filed an application/ petition with NCLT and final hearing of the said petition is yet to be done.

46. Loan to subsidiary company

In the earlier years, the Company had granted short term loans amounting to ₹ 2,993.51 lakhs and long-term loans amounting to ₹ 11,551.56 lakhs to Cheese Land Agro (India) Private Limited, its subsidiary company. The long-term loans were due for repayment on March 31, 2019 along with interest @7.50% p.a.

Notes

to the financial statements for the year ended 31 March 2020

During the financial year 2018-19, the subsidiary had prepaid the entire loan amount outstanding along with interest accrued thereon by August 14, 2017. It has paid interest @ 7.5% for the period from April 1, 2017 to June 30, 2017. However, at the request of the subsidiary company, the Company had waived off interest for the period from July 1, 2017 till August 14, 2017.

The Company had accounted for Finance Income amounting to ₹ Nil (March 31, 2019 : Nil) on account of such loans in discontinued operations (Refer Note 34).

During the year under consideration, the Company further advanced interest free loan amounting to ₹ 66,392.05 Lakhs including assignment of advances of ₹ 33,140.22 lakhs (March 31, 2019 ₹ 17,241.15 including assignment of trade receivables of ₹ 16,713.32 lakhs of Cheese Land Agro (India) Private Limited). The balance outstanding as at March 31, 2020 is ₹ 1,200.97 lakhs Credit balance (March 31, 2019 : ₹ 527.83 Lakhs Debit Balance).

47. Milk Subsidy

With effect from August 1, 2018, the Government of Maharashtra introduced a Subsidy of ₹ 5 per litre (₹ 3 per litre for the month of March 2019) to be paid to the farmers through the Company provided the Company fulfils specified conditions relating to purchase price and utilisation of milk.

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. Also, Grants related to income can be presented as part of profit or loss, either separately or under a general heading such as 'Other income' or alternatively deducted in reporting the related expense.

Accordingly, during the year, the Company has recognised ₹ Nil (March 31, 2019 ₹ 7268.63 Lakhs) on account of such Grant as a reduction from cost of material consumed and disclosed the same in discontinued operations (Refer Note 34).

48. Investment in preference shares

During the previous year FY 2017-18, Prabhat Dairy Limited had invested in 1,15,53,980 – 0.01% Non-Cumulative Redeemable Preference shares of ₹ 10 each of Sunfresh Agro Industries Private Limited (SAIPL), its subsidiary company at ₹ 100 each. As per the terms of issue, the same was redeemable for ₹ 137 per share after 5 years or for ₹ 155 per share after 7 years from the date of issue.

The contractual cash flows from preference shares was sole payment of principal (interest being immaterial). Also, the business model of the Company was to hold the instrument till maturity, Hence, as per the provisions of Ind AS 109 – "Financial Instruments", such Preference shares were carried at amortised costs. Initially, the Preference shares were recognised at Fair Value and difference between face value of consideration paid and Fair value was treated as Equity Investment. The Debt component of preference shares was subsequently measured at amortised cost.

On January 24, 2019, the terms of preference shares were modified from 0.01% Non – Cumulative Redeemable Preference shares (NCP) to 0.01% Non – Cumulative compulsory convertible Preference shares (CCP) which are convertible into Equity shares at any time within 5 years from the date of issue of shares at the discretion of Board of Directors of the Company. Further, the number of equity shares to be issued at the time of conversion shall be determined based on valuation report at the time of conversion.



Notes

to the financial statements for the year ended 31 March 2020

Modification of terms of Preference shares from Redeemable to Compulsory Convertible is treated as substantial modification as per the provisions of IND AS 109. Consequently, the Company has de-recognised its Investment in 0.01% Non – Cumulative Redeemable Preference shares of ₹ 11,707.84 lakhs (being carrying value of Investment at amortised cost at the date of modification) and recognised Investment in 0.01% Non – Cumulative compulsory convertible Preference shares at its fair value of ₹ 11,588.64 Lakhs. The loss of ₹ 119.20 Lakhs between carrying value of Redeemable Preference shares and fair value of Convertible Preference shares as on the date of modification is recognised in under discontinued operations (Refer Note 34).

As per the provisions of Ind AS 109 "Financial Instruments", such Compulsory convertible Preference shares are classified as Fair value through Profit & Loss (FVTPL) since contractual cash flows are not sole payment of principal and interest and the business model is no longer to hold the instrument till maturity. At initial recognition, the Investment in convertible preference shares is recognised at Fair value. Subsequently, the same is measured at Fair value.

Accordingly, the Company has recognised interest Income Nil (March 2019 - Till January 21, 2019 (date when the preference shares were classified as Held for sale) of ₹ 778.89 Lakhs) during the year in discontinued operations (Refer Note 34).

49. Assignment of Receivable & Advances to Subsidiaries

Assets classified as held for Sale includes Trade receivable of ₹ 16,713.32 lakhs of Cheeseland Agro (India) Private Limited, Trade Receivable and Advance to Supplier of ₹ 5,138.05 lakhs and ₹ 1,279.02 lakhs respectively of Sunfresh Agro Industries Private Limited assigned to the Company.

50. Government grant for setting up of integrated cold chain facilities

During the FY 2017-18, the Company was sanctioned grants related to assets under 'Scheme for Cold Chain Value Addition and Preservation Infrastructure for setting up of integrated cold chain facilities for Dairy products at Shrirampur, Maharashtra of ₹ 848.05 lakhs.

Government grant income was recognised in statement of profit or loss on a systematic basis over the useful life of the asset.

The MCA vide notification dated September 20, 2018 has issued the Companies (Indian Accounting Standards) Second Amendment Rules 2018 to amend the Companies (Indian Accounting Standards Rules 2015. As per the said notification, in case of grants related to assets, an option was available to deduct the grant in arriving at the carrying amount of assets. In such case, the grant was recognized in the Statement of Profit and Loss over the life of depreciable asset as a reduced depreciation expense.

The Company has elected to reduce the grant while calculating the carrying amount of asset. Accordingly, in the financials for the year ended March 31, 2020, the value of Property, Plant and Equipment has been disclosed net of Government Grant of ₹ NIL (March 31, 2019 ₹ 862.82 Lakhs) and depreciation expense is shown net of Grant income of ₹ NIL (March 31, 2019 : ₹ 74.68 lakhs) under note 34 - Discontinued Operations.

Notes

to the financial statements for the year ended 31 March 2020

The Company has adopted the change in accounting policy retrospectively in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors and accordingly previous periods figures have been restated wherever necessary.

There is no impact of such change in the accounting policy on the profit of the current and previous periods.

	31-Mar-20	31-Mar-19
Opening balance	301.79	610.61
Grant accrued during the year	-	89.44
Grant received during the year	-	(398.25)
Closing balance	301.79	301.79

51. Prior year comparatives

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

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki
Partner
Membership No.: 118070

Place: Shrirampur
Date: 08 Oct 2020

UDIN: 20118070AAAAES7610

For and on behalf of Board of directors of
Prabhat Dairy Limited
CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal
Managing Director
DIN: 00035234

Vishwajit Singh
Chief Financial Officer

Place: Shrirampur
Date: 08 Oct 2020

Vivek S Nirmal
Joint Managing Director
DIN: 00820923

Dipti Todkar
Company Secretary
Membership No A21676



Independent Auditors' Report

To the members of
Prabhat Dairy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Prabhat Dairy Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of our reports on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs

of the Group at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit Matters	How Was the Key Audit Matter Addressed in the Audit
Assets held for Sale and Discontinued Operations Refer Note 33 of Financial statement The Group vide agreement dated January 21, 2019 has signed a definitive agreement to sell its dairy business along with its subsidiary Company to Tirumala Milk Products Private Limited for a total consideration of ₹ 1,70,000.00 Lakhs (including adjustment for net debt outstanding, working capital adjustment and minimum non-current asset level adjustment as agreed with the buyer). The dairy business constitutes 86.65% of the total revenue of the Group. We have considered this as a key audit matter because of the significance of the said transaction and disclosure requirements as required under 'Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations'.	Our audit procedures in respect of this matter include: <ol style="list-style-type: none">1) Reading definitive agreement to sell to understand the key terms and conditions of the transaction2) Evaluating management's assessment of the consideration received for the disposal, the carrying amount of the net assets sold and the loss on disposal, if any3) Evaluating applicability of 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations' to the said transaction.4) Agreeing the cash consideration received to bank statements in the subsequent period.5) Critically assessing the appropriateness of the Group's disclosures in respect of the disposal including the disclosures related to Non-current assets Held for sale and discontinued operations and the restatement of comparative in Statement of profit and loss.

Key audit Matters	How Was the Key Audit Matter Addressed in the Audit
<p>Going Concern Refer Note 43 of Financial statement</p> <p>The Group has entered into an agreement to sell its dairy business along with its subsidiary Company to Tirumala Milk Products Private Limited, which constitutes 86.65% of the total revenue of the Group.</p> <p>In view of the above, the ability of the Group to continue as a going concern is evaluated. It is supported by the cash flow forecasts prepared by the management. Such forecasts include the managements' assumptions regarding the timing of future cash flows and operating results which are by their nature uncertain.</p> <p>We have considered this as a key audit matter as the aforesaid transaction, could have an impact on the financial position of the Group and involves management's assessment and estimate in evaluating going concern assumption.</p>	<p>Our audit procedures in respect of this matter include:</p> <ol style="list-style-type: none"> 1) Reviewing cash-flow forecasts and challenging management's assumptions around future sales, gross margin and operating costs and resulting cash flows; 2) Verifying the calculation to ensure the accuracy of the underlying financial data; 3) Analysing the impact of reasonable possible changes in cash flow forecasts and their timing by applying sensitivities to key inputs includes future sales, gross margin and operating costs; 4) Assessing the accuracy of the forecasts by comparing previous forecasts with the Group's actual financial performance; and 5) Assessing the adequacy of the Group's disclosures within the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Director's report, Management Discussion and Analysis, Corporate Governance Report and Shareholders information but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the

Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 39 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **KSS & COMPANY**
Chartered Accountants
Firm Registration No.: 126322W

Shashank K Suvarnapathaki

Partner

Place: Shrirampur
Date: Oct 08, 2020

Membership No. : 118070

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For **KSS & COMPANY**
Chartered Accountants
Firm Registration No.: 126322W

Shashank K Suvarnapathaki

Place: Shrirampur
Date: Oct 08, 2020

Partner
Membership No. : 118070



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PRABHAT DAIRY LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Prabhat Dairy Limited on the consolidated Financial Statements for the year ended March 31, 2020]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Prabhat Dairy Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable

to an audit of internal financial controls. 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 internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **KSS & COMPANY**
Chartered Accountants
Firm Registration No.: 126322W

Shashank K Suvarnapathaki
Partner
Membership No. : 118070

Place: Shrirampur
Date: Oct 08, 2020



Consolidated Balance Sheet

as at 31 March 2020

(Amount in INR Lakhs, unless otherwise stated)

	Notes	As at 31-Mar-20	As at 31-Mar-19
ASSETS			
Non-current assets			
Property, plant and equipment	13	228.60	-
Capital work-in-progress	14	-	-
Intangible assets	13	2.59	-
Financial assets			
(i) Investments	15	-	-
(ii) Other financial assets	16	-	-
Income tax assets (net)		-	305.45
Deferred Tax Asset		-	624.25
Other non-current assets	17	-	-
Total non-current assets	(A)	231.19	929.70
Current assets			
Inventories	18	157.31	24.36
Financial assets			
(i) Trade receivables	19	14,588.14	50.03
(ii) Cash and cash equivalents	20	32,515.15	695.77
(iii) Bank balances other than cash and cash equivalents	21	62,165.85	105.00
(iv) Current financial assets- Loans	22	32,622.78	70.00
(v) Other financial assets	23	1,323.21	-
Other current assets	24	2.46	1,617.48
Assets Classified as held for sale		132,879.27	142,051.75
Total current assets	(B)	276,254.16	144,614.39
TOTAL ASSETS	(A+B)	276,485.36	145,544.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	25	9,767.61	9,767.61
Other equity	26	37,303.18	68,234.36
Equity attributable to owners of the Company		47,070.79	78,001.97
Total equity	(C)	47,070.79	78,001.97
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings		-	-
Other Non-current liabilities		-	-
Deferred tax liabilities (net)		-	-
Total non-current liabilities	(D)	-	-
Current liabilities			
Financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	28	15,556.36	1,300.16
(iii) Other financial liabilities	29	7,550.20	101.12
Other current liabilities	30	129,568.86	10.18
Provisions	31	35.43	22.30
Current tax liabilities (net)	32	1,535.13	225.55
Liabilities directly associated with assets classified as held for sale		75,168.59	65,882.81
Total current liabilities	(D+E)	229,414.57	67,542.11
TOTAL EQUITY AND LIABILITIES	(C+D+E)	276,485.36	145,544.09
Significant accounting policies	2-3		
Notes to the financial statements	4-54		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shrirampur

Date: 08 Oct 2020

UDIN: 20118070AAAAET3236

For and on behalf of Board of directors of

Prabhat Dairy Limited

CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal

Managing Director

DIN: 00035234

Vishwajit Singh

Chief Financial Officer

Place: Shrirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676

Consolidated Statement of Profit and Loss

for the Period ended 31 March 2020

(Amount in INR Lakhs, unless otherwise stated)

	Notes	For the Period Ended 31-Mar-20	For the Period Ended 31-Mar-19
Revenue from operations	4	53,308.91	23,872.13
Other income	5	5,988.06	0.38
Total income		59,296.97	23,872.51
Expenses			
Purchase of stock in trade	6	55,499.49	22,521.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	7	(132.95)	54.44
Employee benefits expense	8	631.01	188.07
Finance costs	9	29.88	9.00
Depreciation and amortisation expense	14	20.12	-
Other expenses	10	1,852.42	838.92
Calf Nutrition Project		10,077.38	-
Total Expenses		67,977.35	23,611.43
Profit before exceptional item and tax		(8,680.38)	261.08
Exceptional item		-	-
Profit before tax		(8,680.38)	261.08
Tax expense/ (Credits):			
Current Tax		1,640.00	265.13
Deferred Tax		574.36	-
Short provision of tax relating to prior period		23.47	-
Total tax expense	12	2,237.83	265.13
Profit for the year from Continuing operations		(10,918.20)	(4.05)
Discontinued operations			
Profit before tax from discontinued operations		-	3,814.58
Tax expenses of discontinued Operations	12	-	(1,074.96)
Profit for the year from discontinued operations		-	4,889.54
Profit for the year		(10,918.20)	4,885.49
Other comprehensive income (OCI) from discontinued operations	11		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of employee benefit obligations		-	33.43
Income tax related to items that will not be reclassified to profit or loss		-	(2.32)
Other comprehensive income (OCI) net of tax		-	31.11
Total comprehensive income from for the year		(10,918.20)	4,916.60
Earnings per equity share			
Basic and diluted earnings per equity share of face value of ₹ 10 each (31 March 2019)	27		
a) From Continuing operations		(11.18)	(0.00)
b) From discontinuing operations		-	5.01
c) From Continuing and discontinuing operations		(11.18)	5.03

Significant accounting policies

2-3

Notes to the financial statements

4-54

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shrirampur

Date: 08 Oct 2020

UDIN: 20118070AAAET3236

For and on behalf of Board of directors of

Prabhat Dairy Limited

CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal

Managing Director

DIN: 00035234

Vishwajit Singh

Chief Financial Officer

Place: Shrirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676



Consolidated Statement of Cash Flow

for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Period Ended 31-Mar-20	For the Period Ended 31-Mar-19
A. Cash flow from operating activities		
Profit before tax from :		
Continuing operations	(8,680.38)	261.09
Discontinued operations		3,814.57
Profit before tax including discontinued operations	(8,680.38)	4,075.66
Adjustments for		
Depreciation and amortization expense	20.12	4,196.46
Loss on sale of property, plant and equipment	-	29.74
Interest income	-	(158.59)
Government grants	-	-
Provision for doubtful trade and other receivables	-	62.49
Provisions no longer required Written Back	-	-
Unrealised Exchange loss	-	-
Finance costs	-	3,663.78
	(8,660.26)	11,869.54
Working capital adjustments		
(Increase)/ decrease in inventories	(132.95)	3,062.33
(Increase)/ decrease in trade receivables	(14,538.06)	(6,627.43)
(Increase)/ decrease in current financial assets	(436.49)	(5,677.31)
(Increase)/ Decrease in loans	(30,407.56)	(102.20)
(Increase)/ decrease in other non current assets	-	431.30
(Increase)/ decrease in other current assets	(889.09)	(14,309.66)
(Increase) in non current financial assets	355.12	755.08
(Decrease)/ increase in other Financial Liabilities	8,541.90	46.44
Increase in other current liabilities	130,845.43	(6,596.51)
Increase in trade payables	14,256.20	6,075.29
(Decrease)/ increase in other provisions	13.13	-
(Decrease)/ increase in provisions and employee benefits	-	51.24
(Decrease) in non current provisions and employee benefits	-	(62.02)
	98,947.36	(11,083.91)
Income Tax paid	(2,237.83)	(450.52)
Net cash flows from operating activities (A)	96,709.54	(11,534.43)
B. Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment	(2,301.54)	(7,003.60)
Proceeds from sale of property, plant and equipment	-	247.33
Capital Subsidy Received	-	398.25
Interest received	-	131.80
Redemption/ (Investment) in bank deposits for more than 3 months	-	7,815.96
Loans given/ Payment of loan by subsidiary	(527.83)	-
Net cash flows used in investing activities (B)	(2,829.37)	1,589.74
C. Cash flow from financing activities		
Proceeds of borrowings (net of borrowing cost)	-	32,199.39
Repayment of borrowings	-	(999.20)
Principal element of finance lease payments	-	(0.92)
Interest paid	-	(3,491.62)
Net cash flows from/ (used in) financing activities (C)	-	27,707.65
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	93,880.17	17,762.96
Cash and cash equivalents at the beginning of the year	800.84	4,892.57
Cash and cash equivalents at the end of the year	94,681.00	22,655.53

Consolidated Statement of Cash Flow

for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Period Ended 31-Mar-20	For the Period Ended 31-Mar-19
Non-cash financing and investing activities		
Acquisition of property, plant and equipment by mean of finance lease		75.00
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and cash equivalents comprise (refer note 20)		
Bank Deposits	62,165.85	806.09
Bank Balances and Cash Equivalents	32,514.45	21,800.00
Cash on hand	0.70	49.44
Cash and Cash equivalents as at the year end	94,681.00	22,655.53
Cash and Cash equivalents from discontinued operations		21,959.76
Cash and Cash equivalents from continuing operations	94,681.00	695.77

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

The Group has elected to present a statement of cash flows that includes an analysis of all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 36.

Debt reconciliation

This section sets out an analysis of debt and movements in debt for each of the year presented :

	Non Current Borrowing	Current Borrowing	Finance lease	Total
Net Debt As at 1 April 2018	4,234.89	16,500.00		20,734.89
Acquisition of property, plant and equipment by mean of finance lease			75.00	75.00
Finance Charges			1.12	1.12
Additional Loan taken	371.06	31,828.33		32,199.39
Transaction cost amortisation	18.88			18.88
Repayment of Loan	(999.20)		(0.92)	(1,000.12)
Net Debt As at 31 march 2019	3,625.63	48,328.33	75.20	52,029.16
Net Debt As at 1 April 2019	3,625.63	48,328.33	75.20	52,029.16
Additional Loan taken				-
Repayment of Loan	(3,625.63)	(48,328.33)	(75.20)	(52,029.16)
Net Debt As at 31 march 2020	-	-	-	-

Significant accounting policies

2-3

Notes to the financial statements

4-54

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki
Partner
Membership No.: 118070

Place: Shrirampur
Date: 08 Oct 2020

UDIN. 20118070AAAAET3236

For and on behalf of Board of directors of
Prabhat Dairy Limited
CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal
Managing Director
DIN: 00035234

Vishwajit Singh
Chief Financial Officer

Place: Shrirampur
Date: 08 Oct 2020

Vivek S Nirmal
Joint Managing Director
DIN: 00820923

Dipti Todkar
Company Secretary
Membership No A21676



Consolidated Statement of Changes in Equity (SOCIE)

for the year ended 31 March 2020

(a) Equity share capital (Refer Note 25)

(Amount in INR Lakhs, unless otherwise stated)

	31-Mar-2020		31-Mar-2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid				
Opening	97,676,131	9,767.61	97,676,131	9,767.61
Add - Issued during the year	-	-	-	-
Closing	97,676,131	9,767.61	97,676,131	9,767.61

(b) Other equity

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars	Reserves and Surplus					Items of OCI Remeasurements of the net defined benefit Plans	Total equity
	Securities premium account	Retained earnings	Capital reduction reserve	Capital reserve	Capital Reserve on Consolidation		
Balance at April 1, 2018	35,601.32	19,445.00	2,960.10	4,189.87	1,103.29	18.18	63,317.76
Profit for the year	-	4,885.49	-	-	-	-	4,885.49
Other comprehensive income for the year	-	-	-	-	-	31.11	31.11
Total comprehensive income for the year	-	4,885.49	-	-	-	31.11	4,916.60
Transactions with owners, recorded directly in equity							
Contribution by and distribution to owners							
Dividends	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Balance at 31 March 2019	35,601.32	24,330.49	2,960.10	4,189.87	1,103.29	49.29	68,234.36
Profit for the year	-	(10,918.20)	-	-	-	-	(10,918.20)
Less: Profits related to discontinued business of SAIPL	-	(14,703.97)	-	(4,189.87)	(1,103.29)	(15.84)	(20,012.98)
Total comprehensive income for the year	-	(25,622.17)	-	(4,189.87)	(1,103.29)	(15.84)	(30,931.18)
Transactions with owners, recorded directly in equity							
Contribution by and distribution to owners							
Dividends	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Balance at 31 March 2020	35,601.32	(1,291.68)	2,960.10	-	-	33.45	37,303.18

Significant accounting policies

2-3

Notes to the financial statements

4-54

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**
Chartered Accountants
ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki
Partner
Membership No.: 118070

Place: Shirampur
Date: 08 Oct 2020

UDIN. 20118070AAAET3236

For and on behalf of Board of directors of
Prabhat Dairy Limited
CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal
Managing Director
DIN: 00035234

Vishwajit Singh
Chief Financial Officer

Place: Shirampur
Date: 08 Oct 2020

Vivek S Nirmal
Joint Managing Director
DIN: 00820923

Dipti Todkar
Company Secretary
Membership No A21676

Notes

to the consolidated financial statements for the year ended 31 March 2020

1. Reporting Entity

Prabhat Dairy Limited ("Prabhat" or "The Holding Company") is a public Company domiciled and headquartered in India. The Holding Company was incorporated on 25 November 1998 as a Private Limited Company and was converted to a Public Limited Company on 19 March 2015. Consequent to completion of the its Initial Public Offering ('IPO'), the equity shares of the Company were listed on the

National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited on 21 September 2015.

The Holding company and its subsidiaries (together referred to as "The Group") is engaged in the business of trading and manufacturing of cattle feed and animal nutrition product.

The subsidiaries considered in the consolidated financial statements are as follows:

Name of the Company	Place of business/ Country of Incorporation	Relationship	Ownership held by	Principal Activity	Ownehsip Interest held by Group (March 31, 2020)	Ownehsip Interest held by Group (March 31, 2019)
Cheese Land Agro (India) Private Limited	India	Subdiary	Prabhat Dairy Limited	Trading of Cattle feed Business	100%	100%
Shrirampur Agri Solutions Private Limited	India	Subdiary	Prabhat Dairy Limited	Trading of Cattle feed	100%	100%
Sunfresh Agro Industries Private Limited	India	Step down Subsidiary	Cheese Land Agro (India) Private Limited and Prabhat Dairy Limited (refer note below)	Procurement and processing of milk and sale of milk and milk products	0%	100%

Prabhat Dairy Limited ('the Ultimate Holding Company'), holds Nil (31 March 2019: 29.29%) and Cheese Land Agro (India) Private Limited holds Nil (31 March 2019: 70.71%) of paid up equity shares of Sunfresh Agro Industries Private Limited.

The Company also has incorporated Shrirampur Agri Solutions Private Limited ('wholly owned subsidiary Company), wherein there was no business as on March 31st, 2020.

All the above mentioned companies are incorporated in India.

During the year, the Holding Company, along with Cheese Land Agro (India) Private Limited ('wholly owned subsidiary Company), Sunfresh Agro industries Private Limited ('step down subsidiary Company) and Promoter Shareholders (together referred to as 'Group') have entered into a Definitive Sale Agreement on January 21, 2019 with Tirumala Milk Products Private Limited ("The Buyer") for sales of its Dairy Business and sale of its holding in Sunfresh Agro industries Private Limited. For details, refer note 33.

2. Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Holding Company's Board of Directors on 08 October 2020.

2.1 Statement of compliance

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Group's significant accounting policies are included in Note 3.

Notes

to the consolidated financial statements for the year ended 31 March 2020

2.2 New and amended standards adopted by the Group

The Group has applied following standards and amendments for the first time for its annual reporting period commencing from April 1, 2018:

- IND AS 115, Revenue from contract with customers

The Group has adopted IND AS 115 using the modified retrospective method as suggested in para C7 of transition provision of IND AS 115.

- Amendment to IND AS 20, Accounting for government grants and disclosure of government assistance - in case of grants related to assets, an option was available to deduct the grant in arriving at the carrying amount of assets.

These amendments did not have any significant impact on the amounts recognized in current and previous year.

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakh to two decimal points, unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations
Assets held for sale	Lower of carrying value as per the respective Ind AS and Fair value less cost to sell

2.5 Principles of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated

from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group

2.6 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 12 – recognition of deferred tax assets and MAT credit entitlement: availability of future taxable profit against which deferred tax assets and MAT credit entitlement can be utilised;
- Note 13 – Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are

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based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

2.6 Use of estimates and judgements (continued)

Assumptions and estimation uncertainties (continued)

- Note 36 – the Group has received some orders and notices from tax authorities in respect of direct and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and makes provisions for probable losses. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate; and;
- Note 40 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 41 – Fair value measurements and valuation processes

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value.

- Impairment of non-financial assets:

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

- Effective Interest Rate (EIR) method :

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

- Impairment of financial asset:

The Group recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost except investment in equity instruments. At each reporting date, the Group assesses whether the above financial assets are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.7 Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has the overall responsibility for all significant fair value measurements, including Level 3 fair values, supported by external experts, whenever required. Fair value measurement are reviewed by the Chief Financial Officer (CFO).

Significant valuation issues are reported to the Holding Company's audit committee.

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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 41 – financial instruments.

2.8 Current-non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

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

- a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include 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:

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be settled within 12 months after the reporting date; or
- d) The Group 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Group is less than 12 months.

3. Significant accounting policies

3.1 Revenue recognition

a) Product sales and Sale of service

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms as agreed with the customers. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax,

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etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

The Group does not expect to have any contracts where the period between the transfer of promised goods and service to the customer and payment by customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for time value of money.

b) Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

c) Other

Other items of income are accounted as and when the right to receive payment is established.

3.2 Government grants

Grants from government are recognized when there is reasonable assurance that the Company will comply with the specified conditions and that the Grant will be received.

Government grants related to assets are reduced from the carrying value of Fixed assets presented in the Balance sheet. Accordingly, the grant is recognized in the profit and loss account over the life of depreciable assets as a reduced depreciation expense.

Grants that compensate the Group for expenses incurred are recognised in statement of profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

Export incentives are recognized when the right to receive credit as per the terms of incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3.3 Financial instruments

Recognition and initial measurement

Trade receivables and loans given are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Classification and subsequent measurements

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

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

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. The carrying value of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the year in which they are incurred.

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Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advance' under other non-current assets and cost of asset not ready to use before such date are disclosed under 'Capital Work-in- progress'.

Depreciation

Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and appropriate disclosure is made in the financial statements.

The management believes that depreciation rates used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Accordingly, depreciation on tangible fixed assets is provided on straight line method at estimated useful lives, which in certain categories of assets is different than the estimated useful life as specified in Schedule II of the Companies Act, 2013 ('Schedule II') and are as under:

Category of asset	Useful life followed (in years)	Useful life as per Schedule II (in years)
Factory Building	15-40	30
Electrical installations	10	10
Plant and equipment	10	15*
Office equipment	3	10
Furniture & Fixtures	16	10
Vehicle	10.56	5
Computers	3	3
Software	3	3

*For General laboratory equipment, the useful life as per Schedule II is 10 years.

Freehold land is not depreciated. Acquired assets consisting of leasehold land are recorded at acquisition cost and amortized on straight-line basis based over the lease term.

Additions to tangible fixed assets individually costing ₹ 5,000 or less are depreciated fully in the year of acquisition.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from

property, plant and equipment is provided up to the date preceding the date of sale or deduction as the case may be. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in 'Statement of Profit and Loss' under 'other income' in case of gains and under 'other expenses' in case of losses.

Depreciation method, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

3.5 Intangible assets

Intangible fixed assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured. Intangible fixed assets are initially recorded at their acquisition price.

Intangible fixed assets comprising computer software amortised over its estimated useful life of 3 years on a straight line basis, commencing from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Amortization method and useful lives of the intangible fixed assets are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed to reflect the changed pattern.

3.6 Impairment

Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

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- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses:

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

The Group assumes that the credit risk on a financial asset increases significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 180 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

In accordance with Ind AS 36 – Impairment of Assets, the Group assesses, at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indications exist, the Group estimates the recoverable amount of the asset. If such recoverable amount of asset or recoverable amount of cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is



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reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount is subject to a maximum of depreciable historical cost.

3.7 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realisable value. Cost of inventories comprise cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining cost "First in First out" method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item.

Obsolete, defective and unserviceable inventories including slow moving stocks are provided based on technical evaluation. Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses.

Raw material and other supplies held for use in production of inventories are not written down below cost, except in cases where material price have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

3.8 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. These benefits include salaries and wages and bonus. The undiscounted amount of short-term

employee services is recognised as an expense as the related service is rendered by the employees.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods in which the contribution is due.

Defined benefit plans

The employee's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plan is calculated by discounting the estimated amount of future benefit that employees have earned in the current and prior periods. The liability for gratuity is partly funded, wherein contributions are made on annual basis.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

3.9 Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

3.10 Income tax

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of tax credits. Deferred tax is not recognised for:

- temporary differences related to investments in subsidiaries (in relation to undistributed profits) to the extent that the Group 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.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

3.11 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation

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that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.12 Leases

Assets held under leases

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.13 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief operating decision maker (CODM). The CODM evaluates the performance of the Group by segregating the Group into two different segments; processing of milk and manufacturing of dairy products and cattle feed business.

The Group's operations are primarily in India, accordingly there is no reportable secondary geographical segment.

The Chief operating decision maker (CODM) consists of Chairman and Managing Director and Joint Managing Director.

3.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.16 Assets classified as held for sale

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned.

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The Group treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable)
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from the other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in statement of profit or loss.

2.17 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity and equivalent potential dilutive equity shares outstanding during the year, except where the result would be anti-dilutive.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3.19 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.20 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Group is currently evaluating the requirements of amendments. The Group believe that the adoption of this amendment will not have a material effect on its financial statements



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to the consolidated financial statements for the year ended 31 March 2020

4. Revenue from operations

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
A. Sales of products and services		
Sale of products (including excise duty)	53,272.81	23,868.53
Sale of services	36.10	3.60
	53,308.91	23,872.13

5. Other income

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
Interest income		
from banks	5,910.29	-
Short Term capital gain (Mutual fund)	76.30	-
Miscellaneous income	1.47	0.38
	5,988.06	0.38

6. Purchase of stock in trade

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
	55,499.49	22,521.00

7. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
Inventories at the beginning of the year :		
Finished goods	-	-
Stock-in-trade	24.36	78.80
Work-in-process	-	-
	(A) 24.36	78.80
Inventories at the end of the year:		
Finished goods	-	-
Stock-in-trade	157.31	24.36
Work-in-process	-	-
	(B) 157.31	24.36
Changes in inventories:		
Finished goods	-	-
Stock-in-trade	(132.95)	54.44
Work-in-process	-	-
	-	-
Increase in inventory	(A-B) (132.95)	54.44

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8. Employee benefit expense

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
Salaries, wages bonus and allowances	606.60	177.59
Contribution to provident and other funds (refer note 40)	24.41	4.11
Gratuity expense (refer note 40)	-	2.35
Share-based payment to employees	-	-
Stock Appreciation Rights	-	-
Staff welfare expenses	-	4.02
	631.01	188.07

9. Finance costs

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
Interest on borrowings	29.88	-
Interest on delayed payment of tax	0.00	9.00
	29.88	9.00

10. Other expenses

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
Harvesting, Packing and Processing charges	8.90	-
Repairs and maintenance	-	-
- Buildings	-	-
- Machinery	-	-
- Others	5.22	-
Rent including lease rentals (refer note 38)	29.70	-
Rates and taxes	12.77	-
Insurance	13.14	-
Power and fuel	20.99	-
Labour charges	1.06	-
Advertisement and sales promotion expenses	7.59	-
Printing & Stationery	7.45	-
Transport and forwarding expenses	24.22	-
Travelling and conveyance	55.00	0.01
Legal and professional expenses	255.46	836.56
Payment to auditors (refer note 39)	33.10	1.05
Bank charges	0.03	0.01
Corporate Social Responsibility (CSR) (refer note 40)	45.30	1.29
Directors sitting fees	20.25	-
Miscellaneous expenses	1,312.23	-
	1,852.42	838.92

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11. Statement of other comprehensive income

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans (Refer note 40)	-	33.43
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(2.32)
	-	31.11

12. Tax expense

12.1 Amounts recognised in profit and loss

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
(a) Income Tax expense		
Current tax		
Current tax on the profit for the year	1,640.00	1,091.58
Adjustment of current tax of prior periods	23.47	161.55
Total current tax expense	1,663.47	1,253.13
(b) Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	567.63	(4,798.51)
MAT credit entitlement	-	(189.61)
Reversal of Mat credit entitlement of subsidiary classified as held for sale	-	2,925.17
MAT Credit (Entitlement) / Reversal	6.73	2,735.56
Total deferred tax expense	574.36	(2,062.95)
Income tax expense for the year (a+b)	2,237.83	(809.82)
Tax expense/ (credit) for the year attributable to		
Continuing Operations	1,663.47	265.13
Discontinued Operations	574.36	(1,074.96)
	2,237.83	(809.83)

12.2 Amounts recognised in other comprehensive income

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	-	-	-	33.43	(2.32)	31.11
	-	-	-	33.43	(2.32)	31.11

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to the consolidated financial statements for the year ended 31 March 2020

12.3 Reconciliation of effective tax rate

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Period Ended 31-Mar-20		For the Period Ended 31-Mar-19	
Profit before tax from continuing operations		(8,680.38)		261.08
Profit before tax from discontinued operations		-		3,814.58
Profit before tax		(8,680.38)		4,075.66
Tax using the Group's domestic tax rate of 34.94% (31 March 2019 : 34.94%)	(19.16%)	1,663.47	34.94%	1,424.04
Tax effect of:				
Effect of non deductible expenses			0.92%	37.56
Effect of deferred tax on assets as held for sale			(9.38%)	(382.25)
Effect of tax exempt income (exemption under section 80IB)			(11.70%)	(476.85)
Effect of additional allowances for tax purpose			(0.64%)	(26.26)
Reversal of deferred tax liability of subsidiary classified as held for sale			(34.75%)	(1,416.40)
Effect of subsidiary income taxed at lower rate			(0.98%)	(39.83)
Effect of carry forward losses of previous years			(1.62%)	(66.21)
Effect of previous year adjustments	(6.62%)	574.36	3.51%	143.09
Others			(0.16%)	(6.71)
	(25.78%)	2,237.83	(19.87%)	(809.83)

12.4 Recognised deferred tax asset and liability

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax (asset)		Deferred tax liabilities		Deferred tax (asset)/ liabilities	
	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19	As at 31-Mar-20	As at 31-Mar-19
Property, plant and equipment			827.36	(827.36)	827.36	(827.36)
Intangible assets	(0.78)	0.78			(0.78)	0.78
investments at fair value through profit and loss					-	
Loans and borrowings					-	
Investments held for sale	(504.79)	504.79			(504.79)	504.79
Provisions		-			-	-
Deferred tax assets on transaction advisory services	(475.48)	475.48			(475.48)	475.48
Employee benefits	(7.45)	7.45			(7.45)	7.45
Expenses related to IPO	(40.62)	40.62			(40.62)	40.62
Accumulated unabsorbed depreciation					-	
MAT credit entitlement	(390.91)	390.91			(390.91)	390.91
Other items		-			-	
Deferred tax assets / (liabilities)	(1,420.03)	1,420.03	827.36	(827.36)	(592.67)	592.67

* Deferred tax assets and liabilities on assets classified as held for sale is recognised at capital gain tax rate in current year

Deferred tax assets includes ₹ Nil (31 March 2019 ₹ 185.28 lakhs) on account of assets and liabilities classified as held for sale

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12.5. Movement in deferred tax balances

(Amount in- INR in Lakhs, unless otherwise stated)

As at 31-Mar-2020	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	MAT credit utilised	Net balance March 31, 2019
Deferred tax asset/ (liabilities)					
Property, plant and equipment	(827.36)	827.36	-	-	-
Intangible assets	0.78	(0.78)	-	-	-
Investments	504.79	(504.79)	-	-	-
Employee benefits	7.45	(7.45)	-	-	-
Expenses related to IPO	40.62	(40.62)	-	-	-
Provisions	-	-	-	-	-
Deferred tax assets on transaction advisory service	475.48	(475.48)	-	-	-
Other items	31.59	(31.59)	-	-	-
Deferred Tax assets / (liabilities)	233.34	(233.34)	-	-	-
MAT credit entitlement (net)	390.91	(390.91)	-	-	-
Net deferred tax assets / (liabilities)	624.25	(624.25)	-	-	-

(Amount in- INR in Lakhs, unless otherwise stated)

As at 31-Mar-2019	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	MAT credit utilised	Net balance March 31, 2019
Deferred tax asset/ (liabilities)					
Property, plant and equipment	(4,792.06)	3,964.70	-	-	(827.36)
Intangible assets	(2.36)	3.14	-	-	0.78
Investments	-	504.79	-	-	504.79
Employee benefits	56.24	(46.47)	(2.32)	-	7.45
Expenses related to IPO	63.17	(22.55)	-	-	40.62
Provisions	80.56	(80.56)	-	-	-
Deferred tax assets on transaction advisory service	-	475.47	-	-	475.48
Other items	31.59	-	-	-	31.59
Deferred Tax assets / (liabilities)	(4,562.86)	4,798.51	(2.32)	-	233.34
MAT credit entitlement (net)	3,323.51	(2,735.56)	-	(197.04)	390.91
Net deferred tax assets / (liabilities)	(1,239.35)	2,062.95	(2.32)	(197.04)	624.25

The Group 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

The Group has unused tax credit in the form of MAT credit amounting to ₹ Nil (31 March 2019 : ₹ 390.91 lakhs) that are available for offsetting for 15 years against future tax payable by the Group. These will expire from FY 2029-30 to FY 2033-34.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

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to the consolidated financial statements for the year ended 31 March 2020

13. Property, plant and equipment and intangible assets Reconciliation of carrying amount

Particulars	Freehold land	Electrical Installation	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total (A)	Software (B)	Total (A+B)
Cost (gross carrying amount)	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2018	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2019	-	-	-	-	-	-	-	-	-	-	-
Additions	-	11.19	30.06	14.41	18.60	134.99	12.93	26.19	248.37	2.94	251.31
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	11.19	30.06	14.41	18.60	134.99	12.93	26.19	248.37	2.94	251.31
Balance as at 01 April 2018	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 April 2019	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation for the year	-	0.38	0.50	1.10	0.31	11.30	0.58	5.60	19.77	0.35	20.12
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	0.38	0.50	1.10	0.31	11.30	0.58	5.60	19.77	0.35	20.12
As at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2020	-	10.81	29.56	13.31	18.28	123.70	12.35	20.58	228.60	2.59	231.19

14. Capital work in progress Reconciliation of carrying amount

Particulars	Electrical Installation	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Cost (gross carrying amount)	-	-	-	-	-	-	-	1,129.74
Balance as at 01 April 2018	-	243.09	886.65	-	-	-	-	-
Reclassification/Adjustment	-	18.92	(25.92)	-	-	-	7.00	-
Additions	-	604.47	3,268.08	7.63	198.56	-	91.22	4,169.96
Capitalised during the year	-	(791.62)	(3,800.15)	(7.63)	(98.90)	-	(98.22)	(4,796.52)
Asset included in a disposal classified as held for sale	-	(74.86)	(328.66)	-	(99.66)	-	-	(503.18)
Balance as at 31 March 2019	-	-	(0.00)	-	-	-	-	(0.00)
Balance as at 01 April 2019	-	-	(0.00)	-	-	-	-	(0.00)
Reclassification/Adjustment	-	-	-	-	-	-	-	-
Additions	11.19	30.06	14.41	18.60	134.99	12.93	26.19	248.37
Capitalised during the year	(11.19)	(30.06)	(14.41)	(18.60)	(134.99)	(12.93)	(26.19)	(248.37)
Balance as at 31 March 2020	-	-	(0.00)	-	-	-	-	(0.00)



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15. Non-current Investments

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Investment in equity instruments (fully paid up)		
Unquoted :		
Equity shares at FVTPL	-	-
(i) Others		
a) 2 Shares (31 March 2019 : 2) of ₹ 100 each of Abhyudaya Co-operative Bank	-	-
b) Nil Shares (31 March 2019 : 640) of ₹ 50 each of The Mula Pravara Electric Co-operative Society Limited)		
Total equity instruments	-	-
Aggregate amount of unquoted investments		-

16. Other financial assets

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Unsecured, considered good		
Security deposits	-	-
Deposits with banks	-	-
Fixed deposits with bank	-	-
Other receivables - Govt Authorities	-	-
Subsidy income receivable	-	-
	-	-

17. Other non-current assets

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Unsecured, considered good		
Capital advances (-	-
- Considered good	-	-
- Considered doubtful	-	-
Less: Loss allowance	-	-
	-	-

18. Inventories

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Raw and packing material (at cost)	-	-
Work-in-progress (at cost)	-	-
Finished goods	-	-
Stock-in-trade	157.31	24.36
	157.31	24.36

* Valued at the lower of cost or net realisable value

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19. Trade receivables (Unsecured)

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
- Unsecured, considered good	14,588.14	50.03
- Doubtful	-	-
	14,588.14	50.03
Less: Loss allowance for doubtful debts	-	-
	14,588.14	50.03

Information about the Group's exposure to credit and market risks and fair value measurement is included in note 42.

20. Cash and cash equivalents

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Bank balances and cash equivalents	32,514.45	695.72
Cash on hand	0.70	0.05
	32,515.15	695.77

21. Bank balances other than cash and cash equivalents

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Deposits with banks	62,165.85	105.00
	62,165.85	105.00

22. Current financial assets- Loans (Unsecured, considered good)

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Advance to related party		
Recoverable from Directors (Refer note 42)	-	70.00
Other Loans & Advances	32,622.78	-
	32,622.78	70.00

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 41.

23. Other financial assets

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
GST Receivable	61.17	-
Security deposits	7.97	-
Other receivables - Govt Authorities	287.20	-
Other Financial Assets	886.72	-
Interest accrued on bank deposits	80.15	-
	1,323.21	-



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24. Other current assets

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Advance to suppliers	-	1,617.39
Other current assets	2.46	0.09
Prepaid expenses	-	-
	2.46	1,617.48

Information about the Groups's exposure to credit and market risks, and fair value measurement, is included in Note 41.

25. Share Capital

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-20	31-Mar-19
Authorised :		
100,000,000 (31 March 2019: 100,000,000) Equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
	10,000.00	10,000.00
Issued and Subscribed and Paid up:		
97,676,131 (31 March 2019 : 97,676,131) equity shares of ₹ 10 each with voting rights	9,767.61	9,767.61
	9,767.61	9,767.61

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

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	97,676,131	9,767.61	97,676,131	9,767.61
Equity shares				
Add: - Equity Shares of Re. 10 each issued	-	-	-	-
At the end of the year	97,676,131	9,767.61	97,676,131	9,767.61
- Equity shares				

25.2 Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date:

During the year ended 31st March 2015, after consolidation of equity shares, the Company has issued 66,666,796 fully paid up bonus shares in the ratio of 14 bonus shares against every 1 equity share of ₹ 10/- each held by the shareholders on March 12, 2015, by utilising share premium.

25.3 Rights, preferences and restrictions attached to the shares:

The Company has a single class of equity shares having a par value of ₹ 10 per share. Accordingly all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of equity shareholders are in proportion to their share of paid up equity capital of the Company.

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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25.4 Particulars of shareholders holding more than 5% shares is set out below:

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares	% held	No. of shares	% held
Nirmal Family Trust	45,560,584	46.64%	45,560,584	46.64%
India Agri Business Fund Limited	14,038,044	14.37%	14,038,044	14.37%
Societe De Promotion Et De Participation Pour La Cooperation Economique	8,477,429	8.68%	8,477,429	8.68%
Vistra ITCL India Ltd	7,391,226	7.57%	7,391,226	7.57%

26 Other equity:

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Capital reduction reserve		
At the commencement and at the end of the year	2,960.10	2,960.10
Securities premium reserve		
At the commencement and at the end of the year	35,601.32	35,601.32
Capital reserve		
At the commencement and at the end of the year	4,189.87	4,189.87
Less: Profits related to discontinued business of SAIPL	(4,189.87)	-
	-	4,189.87
Capital Reserve on Consolidation		
At the commencement and at the end of the year	1,103.29	1,103.29
Less: Profits related to discontinued business of SAIPL	(1,103.29)	-
	-	1,103.29
Retained earnings		
Opening balance	24,330.49	19,445.00
Net profit for the period	(10,918.20)	4,885.49
Less: Profits related to discontinued business of SAIPL	(14,703.97)	-
Dividends		
Final dividend Paid [₹ 0.40 (31 March 2017: ₹ 0.40) per share]	-	-
Dividend distribution tax on above	-	-
Closing balance	(1,291.68)	24,330.49
Other items of OCI		
Opening balance	49.29	18.18
Remeasurement of post-employment benefit obligation	-	33.43
Deferred tax on above	-	(2.32)
Less: Profits related to discontinued business of SAIPL	(15.84)	-
Closing balance	33.45	49.29
	37,303.18	68,234.36

Nature and purpose of other reserves

Capital reduction reserve

Capital reduction reserve is a reserve in capital nature. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.



Notes

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Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings

This represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. It will be utilized in accordance with provisions of the Companies Act, 2013.

Remeasurement of defined benefit liability (asset)

Remeasurement of defined benefit liability (asset) comprises actuarial gains and losses.

27. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

(Amount in- INR in Lakhs, unless otherwise stated)

		For the Period Ended 31-Mar-20	For the Period Ended 31-Mar-19
Profit for the year from Continuing operations	A	(10,918.20)	(4.05)
Profit for the year from Discontinuing operations	B	-	4,889.54
Total comprehensive income for the year	C	(10,918.20)	4,916.60
Weighted average number of equity shares of face value of ₹ 10 each outstanding during the year	D	97,676,131	97,676,131
Basic and Diluted earnings per equity share:			
- from Continuing operations ₹	A/D	(11.18)	(0.00)
- from Discontinued operations ₹	B/D	-	5.01
- from Continuing and Discontinued operations ₹	C/D	(11.18)	5.03

28. Trade payables

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,556.36	1,300.16
	15,556.36	1,300.16

The Group's exposure to liquidity risk are disclosed in note 41.

Note:

* Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

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29. Other financial liabilities

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Secured		
Term loans		
Others		
From banks	-	-
Statutory dues payables	3.78	-
Employee benefits payable (refer note a)	-	101.12
Others	7,546.42	-
	7,550.20	101.12

a) Includes payable to directors Nil (31 March 2019 : ₹ 76.82 lakhs).

30. Other current liabilities

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Advances from customers	1,406.03	-
Other Current Liability	128,162.83	10.18
	129,568.86	10.18

31. Provisions

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Provision for employee benefits		
Gratuity (refer note 40)		22.30
Other provision :		
Other provision	35.43	
	35.43	22.30

32. Current tax liabilities (net)

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Current tax liabilities [net of advance tax]	1,535.13	225.55
	1,535.13	225.55

33. Discontinued operations

33.1. Description

Prabhat Dairy Limited ('Ultimate Holding Company') along with its subsidiaries Cheese Land Agro (India) Private Limited, Sunfresh Agro Industries Private Limited and Promoter Shareholders (together referred to as 'Group') have entered into a Definitive Sale Agreement on January 21, 2019 with Tirumala Milk Products Private Limited ("The Buyer") to sell the entire Dairy business of Prabhat Dairy Limited vide a Business Transfer Agreement (BTA). Also, post the slump sale, Sunfresh was to take over the entire Dairy business of the Company vide Business Transfer Agreement. The total consideration for these transactions was ₹ 1,70,000 Lakhs (Excluding adjustment for net debt outstanding, working capital and minimum non-current asset level adjustment as agreed with the buyer). The aforesaid sale was subject to certain conditions precedent viz CCI approval, Shareholders approval, Bankers approval etc.



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During the year ended March 31, 2019, the Group companies received all the critical approvals and post completing the conditions precedent to the deal, the control was handed over to the buyer w.e.f. April 2, 2019.

Post completion of necessary formalities, the purchase consideration of ₹ 1,31,673.75 Lakhs (₹ 69,616.58 lakhs in Prabhat Dairy Limited and ₹ 62,057.17 Lakhs in Cheese Land Agro (India) Private Limited) has been received by the Group companies in the designated escrow accounts on April 10, 2019. The net debt and transaction costs have been settled from the stated escrow accounts.

The adjustments for working capital and minimum non-current asset level adjustment and fulfilment of other conditions pursuant to the contract are under progress.

The Group has classified all its assets and liabilities of the Dairy business as "Held for sale" w.e.f. January 21, 2019 as per the requirements of Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Since, the Fair value of assets and liabilities held for sale is greater than its carrying value less cost to sell, the assets and liabilities held for sale are carried at their respective book values. Also, the Group has not depreciated or amortised non-current assets held for sale w.e.f. January 21, 2019 as per the requirements of IND AS 105.

Similarly, the Group has disclosed a single amount in the statement of profit and loss comprising the total of the post-tax profit or loss of discontinued operations separately from the results from Continuing operations as per the requirements of IND AS 105. Moreover, the Group has also re-presented the above disclosures for prior periods presented in the Financial Statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

33.2 Financial performance and cash flow information for the year 2019-20 and corresponding previous year 2018-19

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Total Income	59,296.97	155,280.87
Expenses	67,977.35	151,466.29
Profit before tax	(8,680.38)	3,814.58
Income tax expenses		
Current tax	1,640.00	988.01
Deferred tax charged / (credit)	574.36	(2,062.96)
Prior period expense	23.47	
Total tax expense	2,237.83	(1,074.95)
Profit for the year for discontinued operations	(10,918.20)	4,889.54
Other comprehensive income (OCI) from discontinued operations	-	-
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of employee benefit obligations	-	33.43
Income tax related to items that will not be reclassified to profit or loss	-	(2.32)
Other comprehensive income for the year, net of tax	-	31.11
Total Comprehensive income	(10,918.20)	4,920.65

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33.3. Net Cash flow from discontinued operations

(Amount in- INR in Lakhs, unless otherwise stated)

	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
Net cash inflow from operating activities	96,709.53	5,393.02
Net cash inflow from investing activities	(2,829.37)	1,589.74
Net cash inflow from financing activities	-	27,707.65

34. Segment Reporting

34.1. Description of segments and principal activities

The Chief operating decision maker (CODM) consisting of Chairman and Managing Director and Joint Managing Director, examines the Company's performance for the following two reportable segments of its business:

1. Processing of milk and manufacturing of dairy products

This part of the business manufactures and sells milk and dairy products to institutional and retail customers. The CODM monitors the performance milk business separately from other segment."

2. Cattle Feed

This part of the business deals in trading of cattle feed. The CODM monitors the performance in cattle feed.

34.2. Segment wise Revenue, Results and Capital Employed for year ended March 31, 2020 and corresponding year ended 31 March 2019

(Amount in- INR in Lakhs, unless otherwise stated)

Sr. No.	Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
1	Segment revenue from operations		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	154,906.36
(ii)	Cattle feed (Continuing operation)	53,308.91	23,872.13
	Total	53,308.91	178,778.49
2	Segment Results		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)		3,814.58
(ii)	Cattle feed (Continuing operation)	(8,680.38)	261.08
	Total	(8,680.38)	4,075.66
3	Segment Asset		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	142,051.75
(ii)	Cattle feed (Continuing operation)	276,485.36	3,492.34
	Total	276,485.36	145,544.09



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(Amount in- INR in Lakhs, unless otherwise stated)

Sr. No.	Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
4	Segment Liabilities		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	65,882.81
(ii)	Cattle feed (Continuing operation)	229,414.57	1,659.31
	Total	229,414.57	67,542.12
5	Capital expenditure		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	7,003.60
(ii)	Cattle feed (Continuing operation)	231.19	-
	Total	231.19	7,003.60
6	Depreciation and amortization		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	4,196.46
(ii)	Cattle feed (Continuing operation)	20.12	-
	Total	20.12	4,196.46
7	Non cash expenses other than Depreciation & Amortization		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	62.49
(ii)	Cattle feed (Continuing operation)	-	-
	Total	-	62.49
8	Revenue from customer more than 10% of revenue*		
i)	Processing of milk and manufacturing of dairy products (Discontinued operations)	-	-
(ii)	Cattle feed (Continuing operation)	27,411.13	5,278.02
	Total	27,411.13	5,278.02

*The revenue from customers more than 10% of revenue represents revenue from continuing operations.

35. Revenue from contracts with customers

35.1. First time adoption

Effective April 1, 2018, the Company has adopted IND AS 115 using the modified retrospective method as suggested in para C7 of transition provision of IND AS 115. Adoption of IND AS 115 has no significant impact on revenue, profit before tax and profit after tax of the Company.

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35.2. Disaggregation of revenue

The company derives revenue from the transfer of goods and services to its institutional & retail customers, at a point in time of milk and various milk products & cattle feed business.

(Amount in- INR in Lakhs, unless otherwise stated)

	Year ended 31-Mar-2020			Year ended 31-Mar-2019		
	Milk & Milk Products	Cattle Feed	Total	Milk & Milk Products	Cattle Feed	Total
Sales of products and services			-			-
Sale of products	-	53,272.81	53,272.81	151,058.35	23,868.53	174,926.88
Sale of services	-	36.10	36.10	416.01	3.60	419.61
Revenue from contract with customers	-	53,308.91	53,308.91	151,474.36	23,872.13	175,346.49
Add: Other revenue	-	5,988.06	5,988.06	3,432.00	-	3,432.00
Revenue from operations	-	59,296.97	59,296.97	154,906.36	23,872.13	178,778.49
Less: Revenue from disposal group classified as held for sale	-	-	-	(154,906.36)	-	(154,906.36)
	-	59,296.97	59,296.97	-	23,872.13	23,872.13

(All revenue derived from India)

35.3. Assets related to contracts with customers - Nil

35.4. Information on performance obligation

In case of goods, the Company satisfies performance obligation upon shipment in case of Ex-works and on delivery in case of door delivery terms. In case of services, performance obligation is satisfied upon completion of service. Payment terms are ranging from 30 to 90 days.

Sale of goods excludes Goods and service tax but includes excise duty collected from customers of Nil (31 March 2019: Nil). Sale of goods net of excise duty is 53,308.91 lakhs (31 March 2019: 175,346.49 lakhs). Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2020 is not comparable 31 March 2019.

36. Contingent liabilities and commitments (to the extent not provided for):

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Contingent liabilities		
a) Income Tax Matters [refer sub-note (i)]		
Financial year 2006-07	35.60	35.60
Financial year 2008-09	28.77	28.77
Financial year 2009-10	113.80	113.80
Financial year 2010-11	16.95	16.95
Financial year 2011-12	257.02	257.02

Notes:

- The Group is contesting the demands related to Income Tax matters and the management believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demands raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Group's financial position and results of operations.



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b) Commitments

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	168.52
Other commitments (refer sub-note a)	-	3.01
	-	171.53

- c) **Contingent Liabilities and Commitments:** - The Company has entered into a Definitive Sale Agreement on January 21, 2019 with Tirumala Milk Products Private Limited ("The Buyer") to sell the entire dairy business of Prabhat Dairy Limited vide a Business Transfer Agreement (BTA) and sale of its subsidiary Sunfresh Agro Industries Private Limited by way of a slump sale on a going concern basis for a total consideration of ₹ 1,70,000 Lakhs (excluding adjustment for net debt outstanding and working capital adjustment as agreed with the buyer). The aforesaid sale was subject to certain conditions precedent viz CCI, Shareholders, Bankers etc

The deal was completed in April 2019 but working capital adjustments with Buyer are still open. Due to COVID-19, there was a nationwide lockdown, and the company could not complete the working capital adjustments and complete the business transaction with the buyer. The management believes that the same will be completed in a short time during the FY 2020-21. The accounting impact will be given once the transaction is completed.

The company has received ₹ 1,316.79 Crores as disclosed in the Annual report FY 2018-19 post debt repayment.

With regard to said transaction Prabhat Dairy Ltd and its wholly owned subsidiary, i.e. Cheeseland Agro India Private Limited would like to disclose aggregate contingent liability of ₹ 438.00 Crores as divided under two heads:

- As per the indemnity clause in the Business Transfer Agreement (BTA) and Share Purchase Agreement (SPA) performance guarantee agreed with the buyer is 12% of the transaction consideration. This indemnity is applicable for periods of 3, 5 and 7 years, respectively, for various purposes – ₹ 204.00 Crores
- As per management estimate transaction costs and taxes at aggregate levels - ₹ 234.00 Crores

37. Operating leases

The Group has entered into operating lease arrangements for office space. Lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement and there are no non-cancellable arrangements. Total lease rental expenses for operating leases recognised in Statement of Profit and Loss is ₹ 1.8 lakhs.

38. Payment to auditors*

(Amount in- INR in Lakhs, unless otherwise stated)

	For the Period Ended 31-Mar-20	For the Period Ended 31-Mar-19
Statutory audit fees	28.98	26.00
Limited review	4.12	6.00
Other services	-	-
Out of pocket expenses reimbursed	-	0.67
	33.10	32.67

* Current year figures are excluding Goods and Service tax (GST).

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39. Corporate Social Responsibility (CSR)

As per provisions of section 135 of Companies Act 2013, the Group was required to spend ₹ 23.75 lakhs (31 March 2019: ₹ 110.17 lakhs) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. The Group has spent ₹ 47.44 lakhs (31 March 2019 : ₹ 116.15 lakhs) towards Corporate Social Responsibility activities.

The breakup of expenditure incurred on CSR activities during the year (April 2019 - March 2020):

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars of CSR activity	Amount paid	Amount yet to be paid	Total Amount
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above (Majorly towards for Livelihood enhancement and rural development).	47.44	-	47.44

The breakup of expenditure incurred on CSR activities during the year (April 2018 - March 2019):

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars of CSR activity	Amount paid	Amount yet to be paid	Total Amount
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above (Majorly towards for Livelihood enhancement and rural development).	76.30	39.85	116.15

40. Liabilities relating to employee benefits

The Group contributes to the following post-employment defined benefit plans.

(i) Defined Contribution Plans:

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contributions plans. The Group has no obligation other than to make specified contributions. The contribution are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund is ₹ 23.28 lakhs (31 March 2019: ₹ 140 lakhs). The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

- a) Contribution to provident and other funds attributable to continuing operations charged to statement of profit and loss account

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Total contribution to provident and other fund	23.28	140.00
Less: Contribution to provident and other funds attributable to discontinued operations	-	135.89
Contribution to provident and other funds attributable to continuing operations	23.28	4.11

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(ii) Defined Benefit Plan:

Actuarial gains and losses in respect of defined benefit plans are recognised in Other Comprehensive Income. The Defined Benefit Plan comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Defined benefit obligation as at the end of the year	-	304.10
Defined benefit Plan Assets as at the end of the year	-	185.81
Liability for Gratuity recognised in the Balance Sheet as at the end of the year	-	118.29
Non Current	-	-
Current	-	118.29
Net liability gratuity recognised in the Balance Sheet as at the end of the year attributable to discontinued operations	-	95.99
Net liability gratuity recognised in the Balance Sheet as at the end of the year attributable to continuing operations [refer B(iii)]	-	22.30

A. Reconciliation of the net defined benefit liabilities

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
i. Reconciliation of present value of defined benefit obligation		
Present value of defined benefit obligation as at beginning of the year	304.09	257.94
Current service cost		70.02
Past Service cost		-
Interest cost		19.46
Benefits paid		(10.54)
Actuarial (gains) / losses recognised in other comprehensive income		-
- experience adjustment		(32.79)
	304.09	304.09
ii. Reconciliation of present value of defined benefit Plan		
Fair value of plan assets as at beginning of the year	185.80	95.44
Contribution made during the year		84.95
Transfer in/ (Out)		3.26
Mortality charges		(3.76)
Return on plan assets		10.44
Benefit Paid		(5.17)
Actuarial (gains) / losses recognised in other comprehensive income		-
- experience adjustment		0.64
Fair value of plan Assets	185.80	185.80
iii. Amounts to be recognised in the Balance Sheet		
Present value of defined benefit obligation	304.09	304.09
Defined benefit Plan Assets	185.80	185.80
Net liability recognized in Balance Sheet	118.29	118.29

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(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
iv. Expenses recognised in the Statement of Profit and Loss		
Current service cost	-	70.02
Past Service cost	-	-
Interest cost	-	19.46
Return on plan assets	-	(10.44)
	-	79.04
v. Remeasurement reconised in other comprehensive income		
Actuarial (gain)/ losses on defined benefit obligation	-	(32.79)
Actuarial (gain)/ losses on defined benefit Plan assets	-	(0.64)
Net Actuarial (gain)/ losses	-	(33.43)
vi. Expected contribution to the fund in the next year	-	-

B. Defined benefit obligations

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the Period Ended 31-Mar-20	For the Period Ended 31-Mar-19
Discount rate		7.80%
Salary escalation rate		9.00%
Attrition rate		4.00%

Assumptions regarding future mortality have been based on published standard table in accordance with Indian Assured Lives Mortality (2006-08) ultimate.

The discount rate is based on the prevailing market yield of Indian government securities as at Balance sheet date for the estimated terms of obligation.

Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

ii. 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 Period Ended 31-Mar-20		For the Period Ended 31-Mar-19	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)			(25.01)	30.06
Future salary growth (1% movement)			24.77	(21.08)
Attrition rate (1% movement)			(0.84)	1.04

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



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41. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

As at 31-Mar-20

	Note	Carrying amount			Total
		FVTPL	FVTOCI	Amortized Cost	
Financial assets measured at fair value					
Investments	15	-	-	-	-
Financial assets not measured at fair value					
Trade receivables	19	-	-	14,588.14	14,588.14
Cash and cash equivalents	20	-	-	32,515.15	32,515.15
Bank balances other than cash and cash equivalents	21	-	-	62,165.85	62,165.85
Current Financial Assets- Loans	22	-	-	32,622.78	32,622.78
Other non-current asset	17	-	-	-	-
Other current asset	24	-	-	1,323.21	1,323.21
		-	-	143,215.12	143,215.12
Financial liabilities not measured at fair value					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	28	-	-	15,556.36	15,556.36
Other Financial liabilities	29	-	-	-	-
Other current liabilities	31	-	-	7,550.20	7,550.20
		-	-	23,106.55	23,106.55

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	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments	-	-	-	-
Financial assets not measured at fair value				
Trade receivables				
Cash and cash equivalents				
Bank balances other than cash and cash equivalents				
Loans				
Other non-current financial asset				
Other current financial asset				
	-	-	-	-
Financial liabilities not measured at fair value				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Trade payables				
Current maturity of long term borrowings	-	-	-	-
Other current financial liabilities				
	-	-	-	-

As at 31-Mar-19

	Note	Carrying amount			Total
		FVTPL	FVTOCI	Amortized Cost	
Financial assets measured at fair value					
Investments	16	-	-	-	-
Financial assets not measured at fair value					
Trade receivables	20	-	-	50.03	50.03
Cash and cash equivalents	21	-	-	695.77	695.77
Bank balances other than cash and cash equivalents	22	-	-	105.00	105.00
Loans	23	-	-	70.00	70.00
Other non-current financial asset	16	-	-	-	-
Other current financial asset	24	-	-	-	-
		-	-	920.80	920.80
Financial liabilities not measured at fair value					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade payables	28	-	-	1,300.16	1,300.16
Current maturity of long term borrowings	29	-	-	-	-
Other current financial liabilities	29	-	-	101.12	101.12
		-	-	1,401.28	1,401.28

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B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Long term borrowings	Discounted cash flow: The valuation model considers the present value of expected payment, discounted using risk-adjusted discount rate	Not applicable	Not applicable

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Accordingly, unquoted equity shares have been considered as Level 3 financial instrument. The carrying amount of unquoted equity shares is not considered material and hence it has not been fair valued and carrying amount for the same has been considered as the fair value.

Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Valuation processes

The finance team performs the valuation of financial assets and liabilities required for financial reporting purposes. The valuation results are reviewed by CFO.

i. Risk management framework

The Holding company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established a Risk Management Framework which is reviewed and monitored by the Risk Management Committee. The Committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. The Group, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk to which the Group is exposed to and how the entity manages the risk.

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ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). As on 31 March, 2020 and 31 March, 2019 there was no exposure in foreign currency of receivable as well as payable.

iii. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 14,588.14 lakhs and ₹ 50.03 lakhs as of 31 March 2020 and 31 March 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Group's historical experience for customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry/ sector in which customers operate.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Balance at the beginning	-	182.76
Impairment loss recognised (net)	-	62.49
Provision for impairment loss attributable to discontinued operation	-	(245.25)
Balance at the end	-	-

The Group believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in certificates of deposit which are funds deposited at a bank for a specified time period.

iv. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its Financial obligation on they become due.

The Group's principal sources of liquidity are cash and cash equivalents, working capital facility with banks and the cash flows that are generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes

to the consolidated financial statements for the year ended 31 March 2020

As of 31 March 2020, the Group had a working capital of ₹ 43,839.58 lakhs and as at 31 March 2019 of ₹ 77,072.27 lakhs. The working capital of the Group for this purpose has been derived as follows:

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Total current asset (A)	273,254.15	144,614.39
Total current liabilities (B)	229,414.57	67,542.12
Working capital (A-B)	43,839.58	77,072.27

The working capital calculated as of 31 March 2020 includes cash and cash equivalents of ₹ 32,515.15 lakhs and deposits with banks of ₹ 62,165.85 lakhs. Also, the working capital as at 31 March 2019 calculated above includes cash and cash equivalents of ₹ 695.77 lakhs and deposits with banks of ₹ 105.00 lakhs.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.31-Mar-20

As at 31-Mar-20

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	15,556.36	(15,556.36)	-	(15,556.36)	-	-	-
Statutory Dues Payable	3.78	(3.78)	-	(3.78)	-	-	-
Others	7,546.42	(7,546.42)	-	(7,546.42)	-	-	-
	23,106.56	(23,106.56)	-	23,106.56	-	-	-

As at 31-Mar-19

	Carrying amount	Contractual cash flows					
		Total	6 months or less	6 - 12 months	1-2 years	2-5 years	More than 5 years
Trade payables	1,300.16	(1,300.16)	(1,300.16)	-	-	-	-
Employee benefits payable	101.12	(101.12)	(101.12)	-	-	-	-
Others	-	-	-	-	-	-	-
	1,401.28	(1,401.28)	(1,401.28)	-	-	-	-

v. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

vi. Exposure to currency risk

Though the Company operates only in India, the Company is exposed to foreign exchange risk through purchases from overseas suppliers and sales to overseas customers in various foreign currencies. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/ depreciates against these currencies.

Currency risk

The Company is not materially exposed to currency risk on account of its maximum sales, purchases, trade receivable and trade payables being domestic. The functional currency of the Company is Indian Rupee.

Notes

to the consolidated financial statements for the year ended 31 March 2020

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows:

	As at 31 March 2020		As at 31 March 2019	
	INR	Foreign currency	INR	Foreign currency
Financial assets				
Trade receivables				-
				-
Financial liabilities				
Trade payables				
USD	-	-	-	-
Net exposure on respect of recognised liabilities	-	-	-	-
Other current financial liabilities				
EURO	-	-	-	-
Net exposure on respect of recognised liabilities	-	-	-	-

The following significant exchange rates have been applied during the year.

	Average rate For the Period Ended		Year-end spot rate as at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
INR				
USD	71.87	66.70	75.39	68.35
EURO	80.08	78.84	83.10	77.05

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars/Euro at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR				
For the year ended 31-Mar-20				
10% movement - profit / (loss)				
USD	-	-	-	-
EURO	-	-	-	-
	-	-	-	-

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR				
For the year ended 31-Mar-19				
10% movement - profit / (loss)				
USD	-	-	-	-
EURO	-	-	-	-
	-	-	-	-

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to the consolidated financial statements for the year ended 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 investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments is as follows:

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Fixed-rate instruments		
Financial assets	62,165.85	105.00
Financial liabilities	-	-
Variable-rate instruments		
Financial liabilities	-	-

Fair value sensitivity analysis for fixed-rate instruments

A change of 100 basis points in interest rate would have increased or decreased profit or loss by ₹ 621.66 lakhs (31 March 2019: ₹ 1.05 lakhs). This analysis assumes that all other variables remain constant.

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) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
For the year ended 31-Mar-20				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity	-	-	-	-

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
For the year 31-03-2019				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity	-	-	-	-

Capital Management

The Group'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.

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to the consolidated financial statements for the year ended 31 March 2020

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to equity holders.

The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

(Amount in- INR in Lakhs, unless otherwise stated)

	As at 31-Mar-20	As at 31-Mar-19
Total debts	-	-
Less : Cash and cash equivalent and bank balances	94,681.00	800.77
Adjusted net debt	(94,681.00)	(800.77)
Total equity	47,070.80	78,001.97
Adjusted net debt to adjusted equity ratio	-201%	-1.03%

* for financial year ended 31 March 2020, debt and cash & cash equivalents of continuing business considered for debt- equity ratio.

42. Related party relationships, transactions and balances

(Names of related parties and description of relationship as identified and certified by the Group)

a) Key Management Personnel (KMP)

Mr. Sarangdhar R. Nirmal, Chairman & Managing Director

Mr. Vivek S. Nirmal, Joint Managing Director

Mr. Raviraj Vahadane, Chief Financial Officer (Upto August 26, 2019)

Ms. Vishwajit Singh, Chief Financial Officer (w.e.f. March 16, 2020)

Ms. Dipti Todkar, Company Secretary

b) Names of the related parties with whom transactions were carried out during the period and description of relationship :

Trust which directly controls reporting Company and in which KMPs are interested.

Nirmal Family Trust

Relatives of key management personnel :

Mrs. Vijaya S. Nirmal

Mrs. Nidhi V. Nirmal

Mrs. Sneha Nirmal Astunkar

Mr. Kishor R. Nirmal

Mr. Vishal Astunkar



Notes

to the consolidated financial statements for the year ended 31 March 2020

Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence :

Nirmal Gogross LLP

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars	KMP / Relatives of KMP *	Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence	Total
Purchase of goods			-
Prabhat Agro. Multi State Co-Operative Society Limited	-		
	-	(21,134.18)	(21,134.18)
		-	-
Managerial Remuneration			-
Sarangdhar R. Nirmal	70.00	-	70.00
	(70.00)	-	(70.00)
Vivek Nirmal	60.00	-	60.00
	(60.00)	-	(60.00)
Salary			-
Raviraj Vahadane	15.00	-	15.00
	(36.22)	-	(36.22)
Vishwajit Singh	16.58	-	16.58
	(16.58)	-	(16.58)
Priya Nagmoti			-
	(18.85)		(18.85)
Dipti Todkar	23.00	-	23.00
	(10.21)	-	(10.21)
			-
Relatives of Key Managerial Personnel	94.34	-	77.76
	(132.76)	-	(132.76)
Lease Rent payment			-
Sarangdhar R. Nirmal	1.80	-	1.80
	(29.13)	-	(29.13)
Kishor Ramchandra Nirmal			-
	(28.42)		(28.42)
Balances outstanding at the end of the year			-
Trade Payable:-			-
Prabhat Agro. Multi State Co-Operative Society Limited	-	-	-
	-	(89.20)	(89.20)
Nirmal Rural Multipurpose Institute			-
		(39.85)	(39.85)
Advance to suppliers:-			-
Prabhat Agro. Multi State Co-Operative Society Limited	-		-
	-	(1,617.39)	(1,617.39)
Nirmal Rural Multipurpose Institute			-
		(18.00)	(18.00)

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to the consolidated financial statements for the year ended 31 March 2020

(Amount in- INR in Lakhs, unless otherwise stated)

Particulars	KMP / Relatives of KMP *	Enterprises / proprietary concerns in which key management personnel or their relatives exercise significant influence	Total
Employee Benefits Payable:-			
Vivek Sarangdhar Nirmal	-	-	-
	(25.65)	-	(25.65)
Sarangdhar Ramchandra Nirmal	-	-	-
	(51.17)	-	(51.17)
Relatives of KMPs	-	-	-
	(2.48)	-	(2.48)
Employee Advance :-			
Vivek Sarangdhar Nirmal	-	-	-
	(22.00)	-	(22.00)
Sarangdhar Ramchandra Nirmal	-	-	-
	(48.00)	-	(48.00)
Post employment benefits			
Vivek Sarangdhar Nirmal	-	-	-
	(13.16)	-	(13.16)
	-	-	-
Sarangdhar Ramchandra Nirmal	-	-	-
	(20.00)	-	(20.00)
Raviraj Vahadane	-	-	-
	(1.70)	-	(1.70)
Dipti Todkar	-	-	-
	(0.24)	-	(0.24)
Relatives of KMPs	-	-	-
	(24.88)	-	(24.88)

Notes:

a) Figures in bracket relate to the previous year.

* The Group has taken Land on lease from Directors and relatives of directors for a period ranging from 10 years to 30 years starting from Oct, 1999. In terms of the said lease agreement, the Group is required to pay an annual rent of ₹21,052 p.a. However, the Group has received a letter of waiver from them indicating that the total rent payable since inception of the lease till 31 March 2019 has been waived and that the Group is not required to pay any lease rent for the above period.

With respect to transactions with related parties, the Company is of view that such transactions have been carried out at arms length and conditions/provisions as laid down in section 188 of the Companies Act, 2013 have been complied with.

With respect to transactions with related parties, the Group is of view that such transactions have been carried out at arms length and conditions/provisions as laid down in section 188 of the Companies Act, 2013 have been complied with.



Notes

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43. Going concern

Till the previous year, the cattle feed business constituted major business of the Company. The sale of Dairy business casts significant doubt on the entity's ability to continue as a going concern. However, no material uncertainty exists.

The Sale consideration receivable is higher than the net asset value of the Dairy business. The sales proceeds will be used to discharge all the liabilities of the Dairy business and the surplus will be used for distribution to shareholders after transaction costs, taxes and other indemnity commitments.

Post the sale of Dairy business, the Company intends to focus on cattle feed business and has proposed merger of its subsidiary Cheese Land Agro (India) Private Limited with itself, currently pending for approval with 'the Regional Directorate'.

Based on the projections for cattle feed business provided, the management of the Company is confident that it will be in the position to repay its liabilities relating to cattle feed business as and when they arise.

Hence, financials statements of the Company are prepared on a going concern basis. "

44. Subsidy income under package Scheme of Incentives (PSI) 2007

Sunfresh Agro Industries Private Limited (a material subsidiary) 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 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 / Goods & Service Tax), subject to fulfilment 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.

Accordingly, during the year, the Group has recognized income on accrual basis under the Scheme amounting to Nil (March 31, 2019: ₹ 2,427 lakhs) under discontinued operations."

45. Import duty on advance licences

In the earlier years, Sunfresh Agro Industries Private Limited (a material subsidiary) had imported Raw Material under advance licences. During the previous year FY 2017-18, the Group management ascertained that it would not be able to utilise the imported raw materials for export sales. Accordingly, the Group suo-moto paid the import duty liability (including interest and penalty) of ₹ Nil (March 31, 2019 : Nil). Consequently, the Cost of material consumed includes Nil (March 31, 2019 : Nil) on account of import duty, Finance cost includes Nil (March 31, 2019 : Nil) on account of interest and rates and taxes includes Nil (March 31, 2019 : Nil) on account of penalty thereof disclosed. The same are disclosed under Discontinued Operations

46. Government grant for setting up of integrated cold chain facilities

During the previous year FY 2017-18, Prabhat Dairy Limited, the Ultimate Holding Company was sanctioned grants related to assets under 'Scheme for Cold Chain Value Addition and Preservation Infrastructure for setting up of integrated cold chain facilities for Dairy products at Shrirampur, Maharashtra of ₹ 848.05 lakhs.

Government grant income was recognised in statement of profit or loss on a systematic basis over the useful life of the asset. The MCA vide notification dated September 20, 2018 has issued the Companies (Indian Accounting Standards) Second Amendment Rules 2018 to amend the Companies (Indian Accounting Standards Rules 2015. As per the said

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to the consolidated financial statements for the year ended 31 March 2020

notification, in case of grants related to assets, an option was available to deduct the grant in arriving at the carrying amount of assets. In such case, the grant was recognized in the Statement of Profit and Loss over the life of depreciable asset as a reduced depreciation expense.

The Group has elected to reduce the grant while calculating the carrying amount of asset. Accordingly, in the consolidated financial statements for the year ended March 31, 2020, the value of Property, Plant and Equipment has been disclosed net of Government Grant of Nil (March 31, 2019 ₹ 862.82 Lakhs) and depreciation expense is shown net of Grant income of Nil (March 31, 2019 : 74.68 lakhs) under Discontinued Operations.

The Group has adopted the change in accounting policy retrospectively in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors and accordingly previous periods figures have been restated wherever necessary. There is no impact of such change in the accounting policy on the profit of the current and previous periods.

(Amount in- INR in Lakhs, unless otherwise stated)

	31-Mar-2020	31-Mar-2019
Opening balance	301.8	610.61
Grant accrued during the year		89.44
Grant received during the year		398.25
Closing balance	301.8	301.8

47. Claim Receivable from Electricity board (MSEDCL)

Sunfresh Agro Industries Private Limited (a material subsidiary) had opted from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for electricity through Express feeder under 'HT-1 Continuous supply category'. Accordingly, MSEDCL were charging the company tariff that are applicable for continuous supply (HT express feeder-continuous supply category). During period April 2011 till April 2015, the subsidiary company was facing incidences of interrupted power supply due to tripping, breakdowns, shutdowns and load shedding for which company had incurred financial losses as well as there was a breach of contract from MSEDCL for charging additional tariff without ensuring continuous supply of power. The subsidiary company paid additional tariff of ₹ 255.24 lakhs from April 2011 till April 2015 under protest to MSEDCL which was expensed out in Statement of Profit and Loss of respective years. During the year, the subsidiary company raised concerned with Internal Grievance Redressal Cell (IGRC) established under the provisions of Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation of 2003. The IGRC directed MSEDCL to ensure that continuous and uninterrupted power supply to be provided to the subsidiary company. However, the IGRC did not provided relief in the form of granting refund of excess tariff extracted by MSEDCL without authority.

Aggrieved by the order of IGRC, the subsidiary company filed an appeal at Consumer Grievance Redressal Forum on March 2, 2016. On April 12, 2016, the forum partly provided relief by issuing an order directing MSEDCL to refund the difference between tariff charged and tariff applicable to non-continuous supply for the period between April 2011 to April 2015 along with interest at present bank interest rate within 90 days from the date of the order. MSEDCL challenged the order through Writ petition before the Hon'ble High Court. The Hon'ble High Court passed an interim order on June 26, 2018, directing MSEDCL to deposit ₹ 255.24 Lakhs in High Court Registry.

The subsidiary company also filed a civil application before the Hon'ble High Court to allow withdrawal of part or full amount of the amount so deposited by MSEDCL during pendency of Writ petition. Such receivable from MSEDCL on account of ₹ 255.24 lakhs being contingent asset as per IND AS 37, Provisions, Contingent Liabilities and Contingent Assets is not accounted for in the consolidated financial statements."



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to the consolidated financial statements for the year ended 31 March 2020

48. Powder Subsidy

During the year under consideration, the Government of Maharashtra implemented a scheme whereby it gave subsidy of ₹ 3 per litre for every litre of milk converted into powder during the period from May 13, 2018 to June 11, 2018 subject to fulfilment of certain conditions under the scheme.

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.

During the said period, the Group converted nil (Previous year 239.01 lakh litres) of milk and booked nil (March 31, 2019 : 717.02 lakhs) as Other Operating Income under Discontinued operations (Refer Note 33).

49. Milk Subsidy

With effect from August 1, 2018, the Government of Maharashtra introduced a subsidy of ₹ 5 per litre (₹ 3 per litre for the month of March 2019) to be paid to the farmers through Prabhat Dairy Limited ('Ultimate Holding Company') provided that the Ultimate Holding Company complies specified conditions relating to purchase price and utilisation of milk.

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. Also, Grants related to income can be presented as part of profit or loss, either separately or under a general heading such as 'Other income' or alternatively deducted in reporting the related expense.

Accordingly, during the year, the Group has recognised nil (March 31, 2019 : 7,268.63 Lakhs) on account of such Grant as a reduction from Cost of Material consumed under Discountinued Operations (Refer Note 33).

50. Proposed Merger with Cheese Land Agro (India) Private Limited

The Company with Cheese Land Agro (India) Private Limited, a wholly owned subsidiary had filed an application for merger under Section 233 of Companies Act, 2013. However scheme of Amalgamation and Arrangement involving merger of Cheese Land Agro (India) Private Limited with Prabhat Dairy Limited in accordance with the Section 233 of the Companies Act, 2013 was not approved by Hon'ble Regional Director of Western Zone and had advised to file a fresh application with National Company Law Tribunal (NCLT). The Board of directors of Prabhat Dairy Limited at its meeting held on 14th February, 2020 had considered and approved the Scheme of Amalgamation (Merger by Absorption) ('Scheme') of Cheese Land Agro (India) Private Limited ('Cheese Land' or 'Transferor Company') with Prabhat Dairy Limited ('PDL' or 'Transferee Company') and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed there under. The Company has filed an application/ petition with NCLT and final hearing of the said petition has not been done.

Notes

to the consolidated financial statements for the year ended 31 March 2020

51. Investment in preference shares

During the previous year FY 2017-18, Prabhat Dairy Limited had invested in 1,15,53,980 – 0.01% Non-Cumulative Redeemable Preference shares of ₹ 10 each of Sunfresh Agro Industries Private Limited (SAIPL), its subsidiary company at ₹ 100 each. As per the terms of issue, the same was redeemable for ₹ 137 per share after 5 years or for ₹ 155 per share after 7 years from the date of issue.

The contractual cash flows from preference shares was sole payment of principal (interest being immaterial). Also, the business model of the Company was to hold the instrument till maturity, Hence, as per the provisions of Ind AS 109 – “Financial Instruments”, such Preference shares were carried at amortised costs. Initially, the Preference shares were recognised at Fair Value and difference between face value of consideration paid and Fair value was treated as Equity Investment. The Debt component of preference shares was subsequently measured at amortised cost.

On January 24, 2019, the terms of preference shares were modified from 0.01% Non – Cumulative Redeemable Preference shares (NCP) to 0.01% Non – Cumulative compulsory convertible Preference shares (CCP) which are convertible into Equity shares at any time within 5 years from the date of issue of shares at the discretion of Board of Directors of the Company. Further, the number of equity shares to be issued at the time of conversion shall be determined based on valuation report at the time of conversion.

Modification of terms of Preference shares from Redeemable to Compulsory Convertible is treated as substantial modification as per the provisions of IND AS 109. Consequently, the Company has de-recognised its Investment in 0.01% Non – Cumulative Redeemable Preference shares of ₹ 11,707.84 lakhs (being carrying value of Investment at amortised cost at the date of modification) and recognised Investment in 0.01% Non – Cumulative compulsory convertible Preference shares at its fair value of ₹ 11,588.64 Lakhs. The loss of ₹ 119.20 Lakhs between carrying value of Redeemable Preference shares and fair value of Convertible Preference shares as on the date of modification is recognised in under discontinued operations (Refer Note 33).

As per the provisions of Ind AS 109 “Financial Instruments”, such Compulsory convertible Preference shares are classified as Fair value through Profit & Loss (FVTPL) since contractual cash flows are not sole payment of principal and interest and the business model is no longer to hold the instrument till maturity. At initial recognition, the Investment in convertible preference shares is recognised at Fair value. Subsequently, the same is measured at Fair value.

Accordingly, the Company has recognised interest Income till January 21, 2019 (date when the preference shares were classified as Held for sale) of ₹ 778.89 Lakhs (March 31, 2018: ₹ 513.88 Lakhs) during the year in discontinued operations (Refer Note 33).



Notes

to the consolidated financial statements for the year ended 31 March 2020

52. Assignment of Receivable & Advances from Subsidiaries

Assets classified as held for Sale includes Trade receivable of ₹ 16,713.32 lakhs of Cheeseland Agro (India) Private Limited, Trade Receivable and Advance to Supplier of ₹ 5,138.05 lakhs and ₹ 1,279.02 lakhs respectively of Sunfresh Agro Industries Private Limited assigned to the Company.

53. Additional information required under schedule III

Particulars	Net Assets (total assets minus liabilities)		Share in profit or (loss)		share in other comprehensive income		share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or (loss)	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
31 March 2020	71%	1,96,601.00	-110%	-12011.27	0%	0	0%	0
31 March 2019	74%	58,045.51	0%	5.58	85%	26.49	1%	32.07
Cheeseland Agro India Private Ltd								
31 March 2020	29%	79,884.36	10%	1093.07	0%	0	0%	0
31 March 2019	0%	140.67	8%	382.73	0%	0	8%	382.73

54. Prior year comparatives

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

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **KSS & Company**

Chartered Accountants

ICAI Firm Registration No.126322W

Shashank K Suvarnapathaki

Partner

Membership No.: 118070

Place: Shirampur

Date: 08 Oct 2020

UDIN: 20118070AAAET3236

For and on behalf of Board of directors of

Prabhat Dairy Limited

CIN: L01100PN1998PLC013068

Sarangdhar R Nirmal

Managing Director

DIN: 00035234

Vishwajit Singh

Chief Financial Officer

Place: Shirampur

Date: 08 Oct 2020

Vivek S Nirmal

Joint Managing Director

DIN: 00820923

Dipti Todkar

Company Secretary

Membership No A21676

Notice



PRABHAT DAIRY LIMITED

CIN: L01100PN1998PLC013068

Registered Office: Gat No. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Ahmednagar, Shrirampur MH – 413 720

Email: investor@prabhat-india.in; Website: www.prabhat-india.in

Tel.: +91-2422-265993

NOTICE OF ANNUAL GENERAL MEETING OF EQUITY SHAREHOLDERS OF PRABHAT DAIRY LIMITED

Day	:	Saturday
Date	:	26 th December, 2020
Time	:	12.00 noon
Venue	:	Gat no. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Ahmednagar- 413 720. Shrirampur Maharashtra, India

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of Prabhat Dairy Limited will be held on Saturday, December, 26, 2020 at 12.00 noon IST at 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar - 413720 to transact the following business:

Ordinary Business-

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors' and Auditors' thereon.
2. To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors' and Auditors' thereon.
3. To appoint a Director in place of Mr. Vivek Nirmal (DIN: 00820923), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Business –

4. **To consider and approve the appointment of Ms. Richa Gunjan Ahuja (DIN: 08863341) as an Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any

statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Richa Ahuja (DIN: 08863341), who has been appointed as an Additional Director (Independent) by the Board of Directors with effect from September 24, 2020, in terms of Section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years calculated with effect from September 24, 2020, not liable to retire by rotation."

5. **To consider and approve the re-appointment of Mr. Sarangdhar Nirmal (DIN: 00035234) as Chairman and Managing Director of the Company for a period of 3 years w.e.f 1st March 2020.r of the Company for a period of 3 years w.e.f 1st March, 2020**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendations of the Nomination and Remuneration Committee and

approved by the Board of Directors of the Company, Mr. Sarangdhar Nirmal (DIN: 00035234) be and is hereby appointed as Chairman and Managing Director of the Company for a period of three years w.e.f. 1st March, 2020 upto 28th February, 2023.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and is hereby authorised to complete the appointment process and file the relevant forms with the Registrar of Companies."

6. To consider and approve the re-appointment of Mr. Vivek Nirmal (DIN: 00820923) as Joint Managing Director of the Company for a period of 3 years w.e.f. 1st March 2020.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendations of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, Mr. Vivek Nirmal (DIN: 00820923) be and is hereby appointed as Managing Director of the Company for a period of three years w.e.f. 1st March, 2020 upto 28th February, 2023.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and is hereby authorised to complete the appointment process and file the relevant forms with the Registrar of Companies."

7. To consider and approve the remuneration payable to Mr. Sarangdhar Nirmal (DIN: 00035234) as Chairman and Managing Director of the Company for a period of 3 years w.e.f 1st March, 2020.

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

"RESOLVED THAT pursuant to the provisions of section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in supersession of all earlier resolutions passed and agreements executed by the

Company and pursuant to the recommendations of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the terms and conditions including the remuneration of Mr. Sarangdhar R. Nirmal (DIN: 00035234) as the Chairman & Managing Director of the Company for a period of 3 (three) years shall be as follows:

- A. **Salary:** Upto ₹ 70, 00, 000/- (Rupees Seventy Lakhs only) per annum subject to the discretion of the Board of Directors.
- B. **Commission:** As per the sole discretion of the Board of Directors from time to time within the permissible limits of the Companies Act, 2013 and the Rules issued there under.
- C. **Perquisites:** Mr. Sarangdhar R. Nirmal shall be entitled to perquisites which will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of house maintenance and repairs, utilities, such as gas, electricity, water and furnishing, medical reimbursement, medical insurance, hospital benefits, leave travel concession (Foreign Travel twice in a year for self and family by air including Air fare, Boarding and Lodging expenses), leave encashment and education, for himself and his family, personal accident insurance, club fees, car with driver, and any other reimbursement and allowances or perquisites in terms of the company's rules or upto such limit as may be decided by the Board from time to time.
- D. The total remuneration payable including the perquisites (in case of no profit or inadequate profit as well) shall not exceed ₹ 70,00,000 /- per annum (inclusive of remuneration received from any subsidiary company)

Explanation:

Family' mentioned above shall mean the spouse, dependent parents and dependent children of the Chairman & Managing Director as mentioned in the applicable Act, Rules or Schemes.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

The following shall not be included for the purpose of computation of the remuneration or perquisites

of Mr. Sarangdhar R. Nirmal, Chairman & Managing Director as aforesaid:-

- (i) The Company's contribution to Provident Fund and Superannuation Fund pursuant to the Rules of the Company.
- (ii) Gratuity payable to the Chairman & Managing Director pursuant to the Rules of the Company.
- (iii) Encashment of leave at the end of tenure or at the time of ceasing to be the Chairman & Managing Director pursuant to the Rules of the Company.

RESOLVED FURTHER THAT Mr. Sarangdhar R. Nirmal shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

RESOLVED FURTHER THAT in case no profit or the remuneration referred above and paid during any financial year exceeds the limits of net profit as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits be paid as minimum remuneration to Mr. Sarangdhar Nirmal, Chairman and Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary in order to give effect to the aforesaid appointment and matters arising there from or in relation thereto."

8. To consider and approve the remuneration payable to Mr. Vivek Nirmal (DIN: 00820923) as Joint Managing Director of the Company for a period of 3 years w.e.f. 1st March 2020.

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

"RESOLVED THAT pursuant to the provisions of section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies

Act, 2013 and regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in supersession of all earlier resolutions passed and agreements executed by the Company and pursuant to the recommendations of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the terms and conditions including the remuneration of Mr. Vivek Nirmal (DIN: 00820923) as Joint Managing Director of the Company for a period of 3 (three) years shall be as follows:

- A. **Salary:** Upto ₹ 60, 00, 000/- (Rupees Sixty Lakhs only) per annum subject to the discretion of the Board of Directors.
- B. **Commission:** As per the sole discretion of the Board of Directors from time to time within the permissible limits of the Companies Act, 2013 and the Rules issued thereunder, after the listing of the shares of the company on recognized stock exchange(s).
- C. **Perquisites:** Mr. Vivek Nirmal shall be entitled to perquisites which will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of house maintenance and repairs, utilities, such as gas, electricity, water and furnishing, medical reimbursement, medical insurance, hospital benefits, leave travel concession (Foreign Travel twice in a year for self and family by air including Air fare, Boarding and Lodging expenses), leave encashment and education, for himself and his family, personal accident insurance, club fees, car with driver, and any other reimbursement and allowances or perquisites in terms of the company's rules or upto such limit as may be decided by the Board from time to time.
- D. The total remuneration payable including the perquisites (in case of no profit or inadequate profit as well) shall not exceed ₹ 60,00,000/- per annum (inclusive of remuneration received from any subsidiary company).

Explanation:

'Family' mentioned above shall mean the spouse, dependent parents and dependent children of the Joint Managing Director as mentioned in the applicable Act, Rules or Schemes.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the

absence of any such Rules, perquisites shall be valued at actual cost.

The following shall not be included for the purpose of computation of the remuneration or perquisites of Mr. Vivek Nirmal, Joint Managing Director as aforesaid:-

- (i) The Company's contribution to Provident Fund and Superannuation Fund pursuant to the Rules of the Company.
- (ii) Gratuity payable to the Joint Managing Director pursuant to the Rules of the Company.
- (iii) Encashment of leave at the end of tenure or at the time of ceasing to be the Joint Managing Director pursuant to the Rules of the Company.

RESOLVED FURTHER THAT Mr. Vivek Nirmal shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

RESOLVED FURTHER THAT in case no profit or the remuneration referred above and paid during any financial year exceeds the limits of net profit as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits be paid as minimum remuneration to Mr. Vivek Nirmal, Joint Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary in order to give effect to the aforesaid appointment and matters arising there from or in relation thereto."

By order of the Board of Directors
Prabhat Dairy Limited

Sd/-

Dipti Todkar

Company Secretary

(Membership No. ACS 21676)

Date: 1/12/2020

Place: Shirampur

Registered office: 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shirampur, Dist. Ahmednagar 413 720, Maharashtra

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM"/"Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE / CORPORATE OFFICE OF THE COMPANY, NOT LATER THAN 48 (FOURTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING Fifty (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER SHAREHOLDER.

2. Corporate Members intending to send their authorised representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102 is enclosed herewith.
4. As required under Regulation 36 (3) of the SEBI (Listing Obligation and Disclosure Requirements) regulation, 2015, particulars of the Directors seeking appointment/reappointment are annexed with this Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 21st December, 2020 to Saturday, 26th December, 2020 (both days inclusive).
6. Members holding shares in electronic form are requested to intimate any change in their address, E-mail Id and signature to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agent of the Company.

7. Members / Proxies / Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
8. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of members in respect of such joint holding will be entitled to vote.
9. In terms of circular issued by SEBI, it is mandatory to quote Permanent Account Number ("PAN") for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agent (RTA) of the Company.

Shareholder having shares in physical shares: In terms of notification dated June 08, 2018 issued by Securities & Exchanges Board of India (SEBI) read with Press release vide PR no. 51/2018 dated December 3, 2018, request for transfer of shares in physical form shall not be processed by Company or Registrar after April 1, 2019. Therefore, if you want to transfer your share on or after April 1, 2019, please get your shares dematerialised.

10. All documents referred to in the Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days (Monday to Saturday) between 11:00 a.m. to 2:00 p.m. upto the date of the Annual General Meeting and will also be available for inspection at the Meeting.
11. Annual General Meeting notice of the Company circulated to the Members of the Company is also uploaded on the Company's website www.prabhat-india.in in the 'Investor Desk' Section.
12. In accordance with the relevant provisions of Companies Act, 2013 read with the Rules made there under all communications are being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding)/the Company's Registrar and share transfer agent (in case of physical shareholding). We, therefore request and encourage you to register your email addresses in the records of your Depository Participant (in case of electronic shareholding)/the Company's Registrar and share transfer agent (in case of physical shareholding) mentioning your folio no./ demat account details.

However, in case you wish to receive the above shareholder communication in paper form, you may write to the Company's Registrar and Share Transfer agent, KFin Technologies Pvt. Limited, Unit: Prabhat Dairy Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda Serilingampally Mandal, Hyderabad - 500032 - India or email at suresh.d@kfintech.com or to Mr. Vijay Nirmal, Prabhat Dairy Limited, 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Ahmednagar- 413720 or email at investor@prabhat-india.in

Members holding shares in demat mode are requested to register their E-mail address with their respective Depository Participants (DP). If there is any change in the E-mail address already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

13. The Notice of Annual General Meeting along with Explanatory Statement is being sent by electronic mode to all the Members whose E-mail addresses are registered with the Company or Depository Participant(s), unless any Member has requested for a physical copy of the same. Physical copy of the Notice of Annual General Meeting along with Explanatory Statement is being sent to those Members who have not registered their E-mail address with the Company or Depository Participant(s).
14. In terms of Section 72 of the Companies Act, 2013 and the Rules framed thereunder, a Member of the Company may nominate a person on whom the Shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/ KFin Technologies Private Limited in case shares are held in Physical form, and to their respective Depository participant, if held in electronic form.
15. **Instructions and other information relating to e-voting are as under**

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Rules, 2015 and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company is providing e-voting facility through KFin Technologies Private Limited ("KFinTech") on all resolutions set forth in this AGM Notice.

- A. In case a Member receives an email from KFintech [for Members whose email addresses are registered with the Company/Depository Participant (s)]
- i. Visit the e-Voting website of KFintech. Open web browser by typing the following URL: <https://www.evoting.kfintech.com> either on a Personal Computer or on a mobile.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email address etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., Prabhat Dairy Limited i.e. name of the Company.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email alpesh.panchal@kjblp.com / chintan.goswami@kjblp.com with a copy marked to evoting@kfintech.com and suresh.d@kfintech.com. The scanned image of the above mentioned documents should be in the name format "Corporate Name____ Event No____." The documents should reach the Scrutinizer on or before 17:00 pm on December 25, 2020.
- B. In case of Members receiving physical copy of Notice [for Members whose email addresses are not registered with the Company/Depository Participants(s)]:
- i. E -Voting Event Number – (EVEN), User ID and Password is provided in the Attendance Slip.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
 - iii. The Company has appointed Mr. Alpeshkumar J. Panchal, (ACS 49008; CP 20120) and/or in his absence Mr. Chintan J. Goswami, (ACS 33697; CP 12721), Practicing Company Secretaries and Partners of KJB & Co LLP, Company Secretaries,

Mumbai, as the Scrutinizers for conducting the Remote e-voting process as well as voting to be conducted at annual general meeting through ballot/poll paper in a fair and transparent manner.

- C. The scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes in the presence of at least two witnesses not in employment of the Company. The Scrutinizer's shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within a period of not exceeding Two working days from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same.
- D. The Chairperson or a person authorised by the Chairperson in writing shall declare the result of voting forthwith.
- E. The results of the e-voting along with the scrutinizer's report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the company are listed and shall be placed on the Company's website (www.prabhat-india.in) and on the website of KFintech (<https://evoting.kfintech.com/>) and it will be displayed at the notice board at the registered/corporate office of the Company for a period of at least 3 days immediately after the result is declared by the chairperson or any other person authorised by the chairperson.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mr. Suresh Babu, (Unit: Prabhat Dairy Limited) of KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or at evoting@kfintech.com or phone No. 040 – 6716 1517 or call KFintech toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period will be commenced on Wednesday, December 23, 2020 (9:00 AM IST) and ends on Friday, December 25, 2020 (17:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. December 19, 2020, may cast their votes electronically. Any person who is not a Shareholder as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- d. The voting rights of Shareholder shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. December 19, 2020.
- e. In case a person has become a Shareholder of the Company after dispatch of Notice of Annual General Meeting but on or before the cut-off date for E-voting i.e., December 19, 2020, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.
 - ii. Example for NSDL:
MYEPWD <SPACE > IN 12345612345678
Example for CDSL:
MYEPWD <SPACE > 1402345612345678
Example for Physical:
 - a. MYEPWD <SPACE > XXXX1234567890
 - iii. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iv. Member may call KFintech's toll free number 1800-3454-001.
 - v. Member may send an e-mail request to evoting@kfintech.com. However, KFintech shall endeavour to send User ID and Password to those new Members whose email addresses is available.

EXPLANATORY STATEMENT

Item No 4:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Richa Ahuja as an Additional Director (Independent) with effect from September 24, 2020. As an Additional Director, Ms. Richa Ahuja holds office upto the date of the Annual General Meeting and is eligible for being appointed as an Independent Director.

The Board of Directors of the Company recommends to appoint Ms. Richa Ahuja as an Independent Director of the Company to hold office for a period of five consecutive years with effect from September 24, 2020, not liable to retire by rotation.

The Company has received a declaration from Ms. Richa Ahuja confirming that she meets the criteria of independence as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Ms. Richa Ahuja is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director of the Company.

In the opinion of the Board, Ms. Richa Ahuja fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

A copy of the draft letter of appointment for Independent Director, setting out the terms and conditions for the appointment of Independent Director is available for inspection by the Members at the registered office of the Company in between 11.00 am to 2.00 pm on any working day up to the date of this Annual General Meeting and is also available on the website of the Company www.prabhat-india.in.

The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards and Committees in respect of the appointment of Ms. Richa Ahuja as the Independent Director, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

Ms. Richa Ahuja is not related to any other Director and Key Managerial Personnel of the Company.

The Board is of the opinion that it will be beneficial to the Company to avail of her services as an Independent Director of the Company and recommends the Ordinary resolution as set out in Item No.4 of the Notice for approval of the shareholders.

Save and except Ms. Richa Ahuja and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No 5 & 7:

Mr. Sarangdhar Nirmal was appointed as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1st March, 2015 whose term ceased on 28th February, 2020. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 16th March, 2020, has reappointed Mr. Sarangdhar Nirmal as a Chairman & Managing Director of the Company, liable to retire by rotation, to hold office for a period of three years till 28th February, 2023, subject to consent by the members of the Company at the ensuing Annual General Meeting ("AGM").

Mr. Sarangdhar Nirmal is the founder Director and promoter of the Company. He has experience of more than 35 years in dairy, cattle farming, cattle feed and such other related business activities. He has the adequate expertise and he supervises the overall on the business activities.

Mr. Sarangdhar Nirmal has given his consent to act as a Managing Director of the Company and is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Sarangdhar Nirmal fulfils the conditions for his appointment as a Managing Director of the company respectively as specified in the Act and the Listing Regulations.

The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards, Committees in respect of the appointment of Mr. Sarangdhar Nirmal as a Managing Director of the Company respectively, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

The Board is of the opinion that it will be beneficial to the Company to continue availing his services as a Managing Director of the company and recommends the Ordinary resolutions as set out in Item No. 5 & 7 of the Notice for approval of the shareholders.

Save and except Mr. Sarangdhar Nirmal and his relatives, to the extent of their shareholding interest, if any, in the Company, of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The Ordinary resolution as set out in item No. 5 & 7 of this Notice is accordingly commended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of his appointment including remuneration as under:

1. Remuneration -

- A. **Salary:** Upto ₹ 70, 00, 000/- (Rupees seventy lakhs only) per annum subject to the discretion of the Board of Directors.
- B. **Commission:** As per the sole discretion of the Board of Directors from time to time within the permissible limits of the Companies Act, 2013.
- C. **Perquisites:** In addition to the aforesaid salary and commission, Mr. Sarangdhar Nirmal shall be entitled to perquisites which will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of house maintenance and repairs, utilities, such as gas, electricity, water and furnishing, medical reimbursement, medical insurance, hospital benefits, leave travel concession (Foreign Travel twice in a year for self and family by air including Air fare, Boarding and Lodging expenses), leave encashment and education, for himself and his family, personal accident insurance, club fees, car with driver, and any other reimbursement and allowances or perquisites in terms of the company's rules or upto such limit as may be decided by the Board from time to time.
- D. The total remuneration payable including the perquisites (in case of no profit or inadequate profit as well) shall not exceed ₹ 70,00,000 /- per annum (inclusive of remuneration received from any subsidiary company).

'Family' mentioned above shall mean the spouse, dependent parents and dependent children of the Managing Director as mentioned in the applicable Act, Rules or Schemes.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

The following shall not be included for the purpose of computation of the remuneration or perquisites of Mr. Sarangdhar Nirmal, Managing Director as aforesaid:-

- (i) The Company's contribution to Provident Fund and Superannuation Fund pursuant to the Rules of the Company.
 - (ii) Gratuity payable to the Managing Director pursuant to the Rules of the Company.
 - (iii) Encashment of leave at the end of tenure or at the time of ceasing to be the Managing Director pursuant to the Rules of the Company.
2. During the period of his employment, Managing Director shall undertake such traveling within India and outside India in connection with or in relation to the business of the Company. The Managing Director shall be entitled to (a) the reimbursement of all the entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors. b) the reimbursement of traveling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
 3. In case of death of Managing Director in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
 4. If the Managing Director is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Managing Director or any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Managing Director desirable, the Company by not less than ninety days' notice in writing to the Managing Director determine this Agreement and upon the expiration of such notice the Managing

Director shall cease to be the Managing Director of the Company.

5. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 6 months' notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Managing Director shall cease to be the Managing Director of the Company. PROVIDED THAT the aforesaid notice may be waived mutually.
6. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time so as not to exceed the limits specified in Schedule V and applicable provisions or rules made under the Companies Act, 2013, or any amendments made hereafter in that regard.

The above may be treated as an abstract of the Agreement to be entered into between the Company and Mr. Sarangdhar Nirmal under section 190 of the Companies Act, 2013.

The draft agreement is available for inspection without any fee by the members at the Company's registered office upto the date of the general meeting.

The remuneration proposed to be paid to the Managing Director is comparable with the remuneration being paid for similar positions and responsibilities in the industry.

The Managing Director also receives remuneration from its subsidiary company. However the combined remuneration received does not exceed ₹ 70 lakhs per annum.

Mr. Sarangdhar Nirmal is interested in the resolution set out at Item No. 5 and 7 of the Notice. The relatives of Mr. Sarangdhar Nirmal may be deemed to be interested in the resolution set out at Item No. 5 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board of Directors recommends the above resolutions for your consideration and approval as an Ordinary Resolution.

The additional information as required under Schedule V of the Companies Act, 2013 is given in ANNEXURE A.

Item no. 6 & 8:

Mr. Vivek Nirmal was appointed as a Joint Managing Director of the Company for a period of 5 years w.e.f. 1st March, 2015 whose term ceased on 28th February, 2020. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 16th March, 2020, has reappointed Mr. Vivek Nirmal as a Joint Managing Director of the Company, liable to retire by rotation, to hold office for a period of three years till 28th February, 2023, subject to consent by the members of the Company at the ensuing Annual General Meeting ("AGM").

With a wide experience in the dairy industry since his early days, Mr. Vivek Nirmal today is an Industry veteran and the youngest Joint Managing Director of Prabhat Dairy Limited. Before being designated as CEO in 2006, the young Nirmal was responsible for the company's Sales Operations across India, including end-to-end management of Prabhat's Supply Chain, Sales Activities, Service and Marketing Support in all markets.

Mr. Vivek Nirmal has given his consent to act as a Joint Managing Director of the Company and is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Vivek Nirmal fulfils the conditions for his appointment as a Joint Managing Director of the company respectively as specified in the Act and the Listing Regulations.

The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards, Committees in respect of the appointment of Mr. Vivek Nirmal as Joint Managing Director of the Company respectively, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

The Board is of the opinion that it will be beneficial to the Company to continue availing his services as a Joint Managing Director of the company and recommends the Ordinary resolutions as set out in Item No. 6 & 8 of the Notice for approval of the shareholders.

Save and except Mr. Vivek Nirmal and his relatives, to the extent of their shareholding interest, if any, in the Company, of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The Ordinary resolution as set out in item No. 6 & 8 of this Notice is accordingly commended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of his appointment including remuneration as under:

1. Remuneration -

- A. **Salary:** Upto ₹ 60,00,000/- (Rupees sixty lakhs only) per annum subject to the discretion of the Board of Directors.
- B. **Commission:** As per the sole discretion of the Board of Directors from time to time within the permissible limits of the Companies Act, 2013.
- C. **Perquisites:** In addition to the aforesaid salary and commission, Mr. Vivek Nirmal shall be entitled to perquisites which will include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowances in respect of house maintenance and repairs, utilities, such as gas, electricity, water and furnishing, medical reimbursement, medical insurance, hospital benefits, leave travel concession (Foreign Travel twice in a year for self and family by air including Air fare, Boarding and Lodging expenses), leave encashment and education, for himself and his family, personal accident insurance, club fees, car with driver, and any other reimbursement and allowances or perquisites in terms of the company's rules or upto such limit as may be decided by the Board from time to time.
- D. The total remuneration payable including the perquisites (in case of no profit or inadequate profit as well) shall not exceed ₹ 60,00,000 /- per annum (inclusive of remuneration received from any subsidiary company).

'Family' mentioned above shall mean the spouse, dependent parents and dependent children of the Managing Director as mentioned in the applicable Act, Rules or Schemes.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

The following shall not be included for the purpose of computation of the remuneration or perquisites of Mr. Vivek Nirmal, Managing Director as aforesaid:-

- i The Company's contribution to Provident Fund and Superannuation Fund pursuant to the Rules of the Company.

- ii Gratuity payable to the Managing Director pursuant to the Rules of the Company.
 - iii Encashment of leave at the end of tenure or at the time of ceasing to be the Managing Director pursuant to the Rules of the Company.
- 2. During the period of his employment, Managing Director shall undertake such traveling within India and outside India in connection with or in relation to the business of the Company. The Managing Director shall be entitled to (a) the reimbursement of all the entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors. b) the reimbursement of traveling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
 - 3. In case of death of Managing Director in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
 - 4. If the Managing Director is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Managing Director or any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Managing Director desirable, the Company by not less than ninety days' notice in writing to the Managing Director determine this Agreement and upon the expiration of such notice the Managing Director shall cease to be the Managing Director of the Company.
 - 5. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 6 months' notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Managing Director shall cease to be the Managing Director of the Company. PROVIDED THAT the aforesaid notice may be waived mutually.

6. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time so as not to exceed the limits specified in Schedule V and applicable provisions or rules made under the Companies Act, 2013, or any amendments made hereafter in that regard.

The above may be treated as an abstract of the Agreement to be entered into between the Company and Mr. Vivek Nirmal under section 190 of the Companies Act, 2013.

The draft agreement is available for inspection without any fee by the members at the Company's registered office upto the date of the general meeting.

The remuneration proposed to be paid to the Managing Director is comparable with the remuneration being paid for similar positions and responsibilities in the industry.

The Managing Director also receives remuneration from its subsidiary company. However the combined remuneration received does not exceed ₹ 60 lakhs per annum.

Mr. Vivek Nirmal is interested in the resolution set out at Item No. 6 and 8 of the Notice. The relatives of Mr. Vivek Nirmal may be deemed to be interested in the resolution set out at Item No. 6 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The Board of Directors recommends the above resolutions for your consideration and approval as an Ordinary Resolution.

The additional information as required under Schedule V of the Companies Act, 2013 is given in ANNEXURE A.

By order of the Board of Directors
Prabhat Dairy Limited

Sd/-
Dipti Todkar

Company Secretary

(Membership No. ACS 21676)

Date: 1/12/2020

Place: Shrirampur

Registered office: 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Shrirampur, Dist. Ahmednagar 413 720, Maharashtra

ANNEXURE A: TO EXPLNATORY STATEMENT ITEM 5 to 8

(Schedule V Part II)

The following additional information as required under Schedule V of the Companies Act, 2013 is given below:

Particulars	Sarangdhar Nirmal	Vivek Nirmal
I. General Information		
Nature of Industry	The Company is engaged in the business of cattle feed and animal nutrition.	
Date or expected date of commencement of commercial production	November, 2000	
In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial Performance based on given indicators	PARTICULARS	YEAR ENDED 31.03.2020 YEAR ENDED 31.03.2019
	Revenue from operations	49,160.11 7,153.54
	Other Income	3,021.73 -
	Total Income	52,181.84 7,153.54
	Profit / (Loss) Before Interest, Depreciation, Exceptional items & tax	-11,169.73 283.40
	Less: Interest and Finance Cost	29.88 -
	Less: Depreciation & Amortisation	20.12 -
	(Loss) before Taxation	-11,219.73 283.40
	Less : Provision for Taxation (incl. deferred tax)	791.54 95.83
	Profit / (Loss) after Taxation	-12,011.27 187.57
Foreign Investments and Collaborations	The Company has not made any Foreign Investments and neither entered into any collaborations during the last year	
II. Information about the appointee		
Back ground details	Sarangdhar R. Nirmal is the Chairman and Managing Director of Prabhat Dairy Limited. He holds a Master's degree in Business Administration from the University of Pune. He has vast experience about the milk and milk related business over the years. He acts like a mentor for all the dairy farmers and employees of Prabhat Dairy. Being a farmer he is continuously involved in working closely with one lac milk producers to uplift their livelihood & their dairy farming business.	
Past Remuneration	Not exceeding ₹ 70 lakhs per annum	Not exceeding ₹ 60 lakhs per annum
Recognition or awards	'The Lokmat Corporate Excellence Award' 2016 for his contribution towards the society and bringing all the farmers under one umbrella towards a common goal of serving the society with quality milk.	
Job Profile and his suitability	To be involved in the business, management and operations of the Company on day-today basis.	
Remuneration proposed	As per the resolution	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Sarangdhar Nirmal and Mr. Vivek Nirmal, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies	

Particulars	Sarangdhar Nirmal	Vivek Nirmal
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Besides the remuneration proposed to be paid to Mr. Sarangdhar Nirmal and Mr. Vivek Nirmal they do not have any other pecuniary relationship with the Company. Mr. Sarangdhar Nirmal and Mr. Vivek Nirmal are related to each other. However no relationships with any other managerial personnel and Directors	
III. Other Information		
Reasons of loss or inadequate profits	The Company's business includes medium to long term activities, where initial period involves expenditures and the revenues would be seen in later stages. The Company's business depends on natural factors such as rainfall which impacts fodder availability as well as milk prices. These factors are cyclical in nature and impacts profitability of the Company.	
Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:	After the sale of dairy business, the Company is also expanding the business of cattle feed and animal nutrition and its related products which will help to achieve sizeable turnover and contribution to offset its fixed expenses and make profits.	
Expected increase in productivity and profits in measurable terms	In view of business improvement measures taken by the Company and In view of various variables involved, including Government policies, especially in the milk business, it is not practical to forecast the productivity and profitability in measurable terms.	
IV. Disclosures		
	The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Directors Report for the year ended March 31, 2020.	

ANNEXURE B: TO ITEM NOS. 3, 4, 5, & 7 OF THE NOTICE

Details of Director seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Particulars	Richa Ahuja	Sarangdhar Nirmal	Vivek Nirmal
Age	33 years	64 years	37 years
Date of Birth	13/12/1987	01/06/1956	16/08/1983
Qualifications	Master in Arts in English Literature	Bachelor of Commerce and Master's degree in Business Administration	Bachelor of Commerce
Experience (including expertise in specific functional area)/Brief Resume	Further she has a decent expertise and experience in management and administration field. Her expertise includes managing the administration division including people management, guiding operating methods, utilization of funds, monitoring budgets, improving information systems, overseeing human resources requirements, developing processes and policies, business process optimization with significant exposure in review processes that lead to the identification of redundancies or inefficiencies	Before Prabhat he used to work for Philips India, Pravara Sugar Factory, as a management trainee and then established a proprietorship firm, Nirmal Paper Industries, which was a paper board manufacturing unit based on waste paper. He is the founder of Prabhat Dairy. He has vast experience about the milk and milk related business over the years. He acts like a mentor for all the dairy farmers and employees of Prabhat Dairy. He was graced with 'The Lokmat Corporate Excellence Award' 2016 for his contribution towards the society and bringing all the farmers under one umbrella towards a common goal of serving the society with quality milk. As the Chairman and Managing Director of the Company, he is involved in the business, management and operations of the Company. Being a farmer he is continuously involved in working closely with one lac milk producers to uplift their livelihood & their dairy farming business.	With a wide experience in the dairy industry since his early days, Mr. Vivek Nirmal today is an Industry veteran and the youngest CEO & MD of Prabhat Dairy Limited, also serves on its Board of Directors. Before being designated as CEO in 2006, the young Nirmal was Prabhat's Director - Sales and was responsible for all of the company's Sales Operations across India, including end-to-end management of Prabhat's Supply Chain, Sales Activities, Service and Marketing Support in all markets. He also headed Prabhat's (NPD) New Product Development division and played a key role in the continued development of Prabhat, positioning it as "Partners in Progress" for all major MNC's and SMU's through strategic approach and supplier relationships, ensuring flexibility in response to an increasingly demanding marketplace.

Particulars	Richa Ahuja	Sarangdhar Nirmal	Vivek Nirmal
Terms and Conditions of Appointment / Reappointment	As per Appointment Letter	For period of 3 years effective from 1 st March, 2020 liable to retire my rotation on such terms and conditions as mentioned in the resolution and explanatory statement	For period of 3 years effective from 1 st March, 2020 liable to retire my rotation on such terms and conditions as mentioned in the resolution and explanatory statement
Remuneration last drawn (including sitting fees, if any)	NA	70 lakhs	60 lakhs
Remuneration proposed to be paid	NA	As per existing approved terms and conditions	As per existing approved terms and conditions
Date of first appointment on the Board	24/09/2020	25/11/1998	01/05/2012
Shareholding in the Company as on March 31, 2020	NA	11,25,000 equity shares i.e. 1.15 % of the total Shareholding in his individual capacity. 4,55,60,584 equity shares i.e. 46.64% of total shareholding in his capacity as a Trustee of Nirmal Family Trust, Promoter of the Company	11,25,000 equity shares i.e. 1.15% of the total shareholding in his individual capacity
Relationship with other Directors/Key Managerial Personnel	NA	Mr. Vivek Nirmal, Joint Managing Director is the son of Mr. Sarangdhar Nirmal	Mr. Sarangdhar Nirmal, Chairman and Managing Director is the father of Mr. Vivek Nirmal
Number of meetings of the Board attended during the year (2019-20)	NA	12	12
Directorships on other Listed Companies as on March 31, 2020	NA	NA	NA
Membership / Chairmanship of Committees of other Listed Companies Boards as on March 31, 2020	NA	NA	NA



PRABHAT DAIRY LIMITED

CIN: L01100PN1998PLC013068

Registered Office: Gat no. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Ahmednagar, Shirampur MH-413720

Email: investor@prabhat-india.in; Website: www.prabhat-india.in

Tel.: +91-2422-265993

PROXY FORM

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____ Folio No./Client ID: _____ DP ID: _____

I / We being the member(s) of _____ shares of Prabhat Dairy Limited, hereby appoint -

1) Name _____

Address _____

Emailid _____ Signature: _____ Or failing him/her

2) Name _____

Address _____

Emailid _____ Signature: _____ Or failing him/her

3) Name _____

Address _____

Emailid _____ Signature: _____ Or failing him/her



as my / our proxy and whose signature(s) are appended below to attend and vote (on Poll) for me/ us and on my/ our behalf at the Meeting of the Company to be held at 122, At Post Ranjankhol Rahata, Ahmednagar, Shrirampur Maharashtra - 413720 on Saturday, 26th December, 2020 at 12.00 noon and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

Sr. No.	Particulars
1	To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors' and Auditors' thereon
2.	To appoint a Director in place of Mr. Vivek Nirmal (DIN: 00820923), who retires by rotation, and being eligible, offers himself for re-appointment
3.	To consider and approve the appointment of Ms. Richa Gunjan Ahuja as an Independent Director of the Company
4.	To consider and approve the re-appointment of Mr. Sarangdhar Nirmal (DIN: 00035234) as Chairman and Managing Director of the Company for a period of 3 years w.e.f 1 st March, 2020
5	To consider and approve the re-appointment of Mr. Vivek Nirmal (DIN: 00820923) as Joint Managing Director of the Company for a period of 3 years w.e.f 1 st March, 2020
6	To consider and approve the remuneration payable to Mr. Sarangdhar Nirmal (DIN: 00035234) as Chairman and Managing Director of the Company for a period of 3 years w.e.f 1 st March, 2020
7	To consider and approve the remuneration payable to Mr. Vivek Nirmal (DIN: 00820923) as Chairman and Managing Director of the Company for a period of 3 years w.e.f 1 st March, 2020

Signed this _____ day of _____ 2020

Affix Re. 1
Revenue
Stamp

Signature of Proxy_____

(Signature of shareholder(s))

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered / Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the Proxy Form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- * It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as He/ She thinks appropriate.
6. For the resolution and explanatory statement please refer to the Notice of the Annual General Meeting.
7. The Proxy-holder shall prove his/ her identity at the time of attending the Annual General Meeting.
8. Please complete all details including details of member(s) in above box before submission.
9. All alterations made in the form of proxy should be initialed.



PRABHAT DAIRY LIMITED

CIN: L01100PN1998PLC013068

Registered Office: Gat no. 122, At Ranjankhol, Post Tilaknagar, Taluka Rahata, Ahmednagar, Shrirampur MH-413720

Email: investor@prabhat-india.in; Website: www.prabhat-india.in

Tel.: +91-2422-265993

ATTENDANCE SLIP

Folio No./ DP ID and Client ID:

Name:

Address

No. of shares

I/ We hereby record my/ our presence at the Annual General Meeting of the Company on Saturday, December 26, 2020 at 12.00 noon at 122, At Ranjankhol, Post Tilaknagar, Rahata, Shrirampur, Dist. Ahmednagar – 413720, Maharashtra.

First/ Sole holder/ Proxy

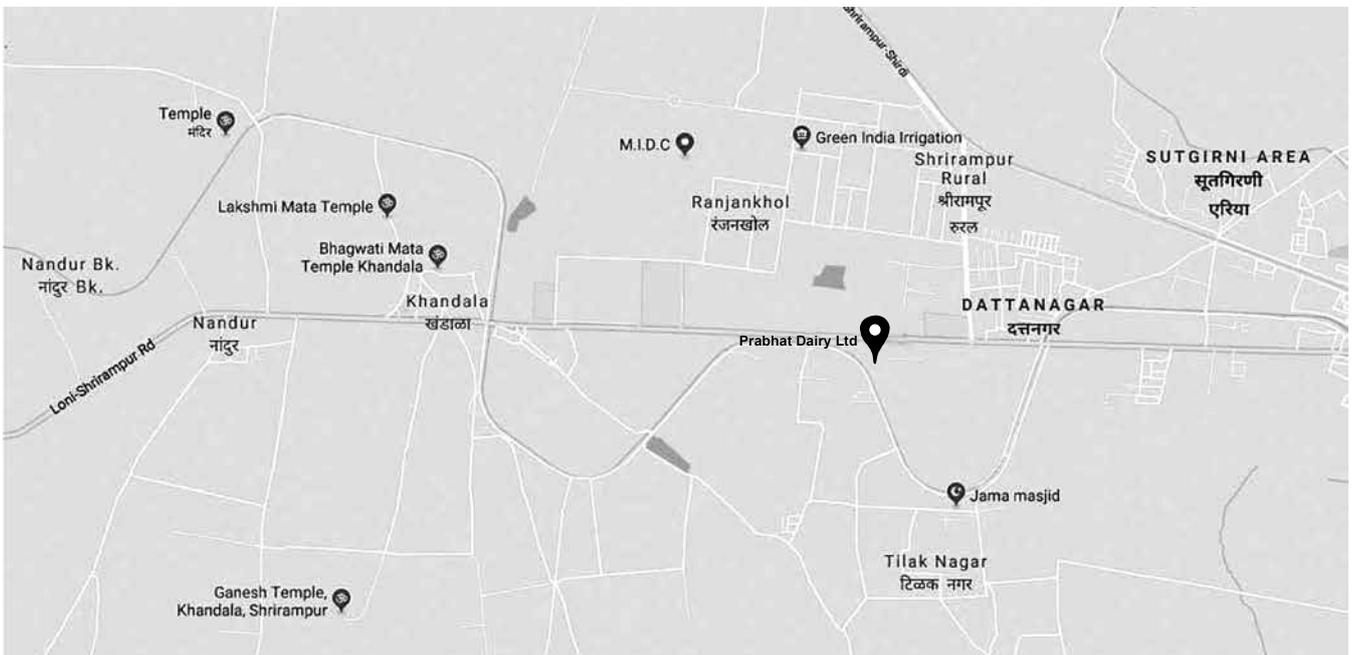
Second holder / Proxy

Third holder/ Proxy

NOTES:

- (1) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

Route Map





PRABHAT DAIRY LIMITED

CIN: L01100PN1998PLC013068

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