

UMANG DAIRIES LIMITED

Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002



5th October 2018

Electronic filing

Department of Corporate Services /
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 500231

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051

Symbol : UMANGDAIRY
Series : EQ

Dear Sir/Madam,

Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 – Annual Report for the financial year ended 31st March 2018

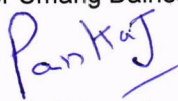
Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report 2017-18 of the Company for the Financial Year ended 31st March 2018.

We may inform that the same has been approved and adopted at the 25th Annual General Meeting of the Company held on 19th September 2018 at the Registered Office of the Company at Gajraula Hasanpur Road, Dist. Amroha, Uttar Pradesh.

Submitted for your kind reference and records.

Thanking you,

Yours faithfully
For Umang Dairies Limited


(Pankaj Kamra)
Company Secretary

Encl: a/a



Admn. Office : Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002, Ph. : (011) 33001162, 33001112, Fax : 23739475
E-mail : umang@jkmil.com

Regd. Office : Gajraula Hasanpur Road, Gajraula - 244 235 Dist. Amroha (U.P.) Ph. : (05924) 252491- 92, Fax : (05924) 252495

E-mail : udl@umangdairy.com, Website : www.umangdairies.com, C I N : L15111UP1992PLC014942

AN ISO 9001 : 2008, HACCP, ISO 14001 : 2004 & OHSAS 18001 : 2007 Certified Company



UMANG DAIRIES LIMITED



ANNUAL REPORT 2017-2018

Pal Pal Mein Umang





Enjoy the great taste of purity,
in a large variety of milk products from **Umang Dairies**.
Delicious, fresh and loaded with the promise of good health.





BOARD OF DIRECTORS

Ram Chandra Periwal

Sharda Devi Singhanian

Ratan Chand Jain

Desh Bandhu Doda

ADMINISTRATIVE OFFICE

Gulab Bhawan (Rear Block), 3rd Floor
6A, Bahadur Shah Zafar Marg
New Delhi - 110 002
Phone : (011) 30179770
E-mail : umang@jkmil.com
website : www.umangdairies.com

REGISTERED OFFICE

Gajraula-Hasanpur Road
Gajraula - 244 235
Dist. Amroha
Uttar Pradesh
Phone : (05924) 252491 - 2
E-mail : udl@umangdairies.com

AUDITORS

Singhi & Co.
Chartered Accountants

COMPANY SECRETARY

Pankaj Kamra

BANKERS

Axis Bank

SHARE TRANSFER AGENT

MAS Services Ltd.
T-34, 2nd Floor, Phase - II
Okhla Industrial Area
New Delhi – 110 020
Phone : (011) 26387281/82/83
E-mail : info@masserv.com



DIRECTORS' REPORT AND MANAGEMENT DISCUSSIONS AND ANALYSIS

To the Members,

The Directors have pleasure in presenting the 25th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ in Lakhs)

	2017-18	2016-17
Revenue from Operations	24,576	21,076
Profit before Finance Cost and Depreciation (PBIDT)	1,343	733
Profit before Depreciation and Tax (PBDT)	969	588
Profit before Tax (PBT)	610	249
Profit after Tax (PAT)	527	165
Surplus brought forward	2,958	3,211
Total amount available for appropriation	3,485	3,376
APPROPRIATIONS:		
Capital Redemption Reserve	151	108
General Reserve	50	45
Dividend (Incl. Tax)	-	265
Surplus carried forward	3,284	2,958

DIVIDEND

The Directors are pleased to recommend a dividend of 5% on equity shares.

OPERATIONS

The Revenue from Operations increased to Rs 24,576 Lakhs during the year as compared to Rs 21,076 Lakhs in the previous year, clocking a growth of 16.61%. The capacity utilization for the year stood at 48% compared to 29% in the previous year. The Company is continuing to invest behind retail distribution expansion and up-gradation of distribution infrastructure. This will help in driving sales and distribution for the consumer products.

Company has been able to retain its market share in Dairy Creamer segment with its brands JK WHITE MAGIK, JK DAIRY TOP & MILK STAR. JK Dairy Top continues to maintain its leadership in the mid segment of dairy creamers. Single serve sachets of 3gm and 5 gm of White Magik have found greater acceptance by Hospitality, HORECA segment and Institutional buyers.

The Company has also developed a market for Bulk products including SMP and Ghee. These products are being sold in retail and consumer markets.

Company continued its focus in Pre-Mix powders for tea and coffee vending machines. Company continued its good business and relations with institutional clients like Coca Cola, Walmart etc.

Significant effort was also made during the year to increase efficiency at plant by focusing on utility costs and manpower productivity to gain efficiency resulting in better profitability.

For the year 2017-18 the milk prices remained volatile and high throughout the year. For year 2018-19 we expect Milk prices to be soft which will reduce the prices of raw material significantly. This is also likely to create excess availability of powders and ghee in the industry effectively pushing down prices for the commodities.



LIQUID MILK PLANT

Your Company operates and manages a facility owned by another Company to process and pack Liquid Milk in poly pouches for Mother Dairy, under a long term agreement. Capacity utilization for the year was at 88%.

The Curd Chhach facility started during the year stabilized production and we were able to supply the finished goods to Mother Dairy of required quality and capacity. We expect the capacity utilization of this plan to be as per budgeted volumes for 2018-19.

EXPANSION AND MODERNIZATION PLANS

Company wishes to become a significant player in Dairy & Foods space. The Company has set up a small plant for Paneer manufacturing which is under stabilization process and expected to start commercial production from Q1 onwards 2018-19.

Besides modernization of Plant and R&D facilities, Company is planning to expand production facility of Drying Plant by removing the bottlenecks and modification in the dryer. The Company is planning to invest resources behind expanding distribution of the recently launched products of Cow Ghee, Canned Paneer, UHT Milk to gain Market Share.

Company is also working on developing new value added products which are under different stages of development at R&D.

RAW MATERIAL SECURITY

Company is sanguine about the fact that to sustain a value added product portfolio, it is highly imperative to have captive milk bank where milk is collected direct from the farmers. As it is, Company is one of the few ones who have more than two decades old village level collection system under which milk is collected from nearly 525 villages comprising of about 18500 farmers.

The company will continue its efforts to expand the Village level collection system in the vicinity to ensure quality milk supplies. We also have a panel of contractors who can supply good quality milk at short notice as and when required.

ADULTERATION & FOOD SAFETY

Umang Dairies Ltd has FSSAI License, in addition to this all our Milk Chilling Centers and Warehouses are also covered under FSSAI.

The company has always focused on Good Manufacturing Practices(GMP) and Hygienic Practices as part of its culture. All incoming Milk Consignments are being screened for Adulteration as per the Guideline of FSSAI to maintain purity of Milk and resultant products.

Recently, National Dairy Development Board (NDDB) has awarded most coveted Quality Marks for Packing Operation of Poly Pack Milk under Mother Dairy Brand.

Our units have been successfully audited for quality and GMP practices by companies like Coke, Nuflor, Walmart, Spar on GMP & Food Safety for Business Continuation.

INDUSTRY SCENARIO

INDIAN DAIRY INDUSTRY

India is the world's largest producer and consumer of dairy. The dairy industry in India was worth INR 5,00,000 Crore in 2016. India is also globally the largest milk producing country since 1997. In India, the co-operatives and private dairies have access to only 20% of the milk produced. Approximately, 34% of the milk is sold in the unorganized market while 46% is consumed locally. This is in comparison to most of the developed nations where almost 90% of the surplus milk passes through the organized sector.

Utilizing the benefits of an integrated sales and distribution system and employing diversified sourcing is the way forward in the sector. The value added dairy industry segment is expected to attract investments and entry of new players in the coming years. Players are emphasizing on offering the consumer better quality differentiated products. Consumers are looking for more and more healthy dairy options.

This trend is expected to continue in the coming years. As per research agencies, during the period 2015-2020, the organised segment is expected to grow at a CAGR of 19.6% as compared to 13.3% for the unorganised segment. This would result in the organised segment accounting for 26% of the total market by 2020.

The number of registered units manufacturing dairy products in India has increased by about 23% between 2010-11 and 2014-15.



OPPORTUNITIES & THREATS

Opportunities

- i. Increasing preference for a healthy lifestyle is expected to nudge the Indian dairy industry to grow at a compounded 15% annually till 2020.
- ii. It is expected that the value-added product market will increase the share of the organized dairy industry over 26% by 2020 as compared to 22% in 2016.
- iii. In the quest for gaining visibility, stakeholders in the dairy industry have been investing in packaging to create brand loyalty and awareness.
- iv. Over the last few years, several well established Indian companies and multinationals have made efforts to move in into the sector. This has resulted in a slew of new and innovative products being launched at the upper-end of the spectrum.
- v. Private organized players are aggressively investing in the market and gaining share. Their revenues are growing at a compound annual growth rate of ~15% between fiscals 2013 and 2018, compared with the sector's growth of ~12%.

Threats

- i. The high stock of SMP & Fat in the industry is a cause of great concern as this will lead to a price decrease in the coming months leading to losses for the industry.
- ii. There is a trend of adulterated ghee being sold in some markets at very low prices which may have serious implications on consumer health if it goes unchecked.
- iii. Only about 20% of the milk produced is channelled for organised marketing, and the rest remains in the ambit of unorganised supply chains.
- iv. Un-chilled and unpasteurised milk can produce disease-causing germs and bacteria. FSSAI (Food Safety and Standards Authority of India) pointed out in a survey that 70% of the Urban and 31% of rural supplies don't meet the required quality standards.

GROWTH OUTLOOK

India has seen a substantial increase in the per capita income and growth in disposable income has significantly improved the purchasing power over the past decade. Rapid urbanization has led to a major increase in the demand for packaged/processed foods, favorably impacting the dairy industry in the country. In the era of digitization and increased access to actionable information, the Indian populace is becoming health and product quality conscious, which has led to the improved variety of food products available in the country. The ever-increasing demand for value-added milk products has also increased the demand for milk production.

The key to success in the dairy industry in India has been largely based on the capacity of the player to gain a share of a consumers' monthly basket. Hence, industry trend has been to focus on providing a gamut of products across price ranges. While pasteurized milk is a volume driven market, value-added products such as cheese, probiotics, and flavored milk-based drinks along with flavored yogurts have picked up sales.

Value-added products require high-end infrastructure for manufacture, storage and logistics and are being eyed by several investors. In the quest for gaining visibility, stakeholders in the dairy industry have been investing in packaging to create brand loyalty and awareness. Innovative technologies of packaging are coming into the picture for milk and especially value-added products because of an overall tropical condition of the subcontinent.

Your company is also actively exploring entering some of these segments to gain better connect with the consumers.

The government is creating strategies for additional milk processing infrastructure which will help to double the income of dairy farmers by 2022.

The government is actively participating in the investment space by the means of various schemes such as National Dairy Plan Phase I (NDP I), National Programme for Dairy Development (NPDD) and the Dairy Entrepreneurship Development Scheme (DEDS). The government has also allowed 100% FDI for the food processing industry to boost the growth of dairy processing and value-added dairy products.

The expected growth rate for the dairy sector between the periods of 2018 to 2020 is expected to be 15%. Investments worth INR 15000 Crore is expected to flow into the dairy industry in India in next couple of years. It is estimated that currently, about 80 players account for 60% of the dairy capacity in India. The organized dairy sector accounts for about INR 75000 Crore in terms of revenue.



RISKS & CONCERNS

With significant increase in milk cost during the last two years, farmers are finding dairy farming a lucrative profession. This is translating into farmers having a larger herd of animals as well as high milk yield bovines. Pressure on land resources is increasing. There is no way to increase the availability of land for fodder production. Answer lies in the usage of high yield fodder crop techniques and simultaneously replacing low yield breed animals by high yield ones.

Recently the prices of milk came down in western & southern markets of India. Further, the co-operatives are holding large stocks of SMP's which may create more competition in the Industry.

HUMAN RESOURCE MANAGEMENT/ INDUSTRIAL RELATIONS

The Company recognizes the contribution and importance of its employees in today's highly competitive environment and has been systematically developing their skills and empowering its employees. People are encouraged to take on new roles and expand their horizons. Training needs at different levels are identified through Performance Appraisal System. Need based training programs are regularly organized for all level of employees. In order to encourage leadership and problem solving qualities among workmen, the Company has helped to established Quality Circles. A number of job rotations are done to enhance employees' skills as well as to enrich their work experience.

Industrial Relations remained cordial throughout the year under review.

INTERNAL CONTROL SYSTEM

Internal audit by corporate audit team consisting of Chartered Accountants as well as an external firm of Chartered Accountants is in place and carries out their job at predetermined frequency. Their task is to audit internal control systems, financial transactions and statutory compliances. Findings/ audit reports along with the action taken reports are reviewed by the Audit Committee. The Audit Committee also reviews the effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations.

The Company has in place adequate internal controls commensurate with the size and nature of its operations.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2018 in the prescribed form MGT -9 is attached as Annexure-1 to this Report and forms part of it.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2018, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Smt. Sharda Devi Singhania retires by rotation and being eligible offers herself for re-appointment at the ensuing AGM.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri N. C. Baheti, ceased to be Manager under Companies Act, 2013 on 10th May, 2017.

CORPORATE SOCIAL RESPONSIBILITY

The Company has framed Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made thereunder.



A detailed report on Company's CSR activities along with the annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure-2.

AUDITORS

(a) Statutory Auditors and their Report

M/s Singh & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 24th Annual General Meeting held on 27th September 2017 until the conclusion of the 29th Annual General Meeting to be held in year 2022, subject to ratification of the appointment by the members at the respective AGMs. Accordingly, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming AGM. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2017-18. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure-3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(c) Cost Auditor and Cost Audit Report

The Cost audit for the year ended 31st March 2018 is being conducted by M/s Sanjay Kumar Garg & Associates, Cost Accountants and the report will be submitted to the Ministry of Corporate Affairs, Government of India.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Company was forced to temporarily shut down its plant at Gajraula w.e.f. 28th April, 2017 since the Hon'ble National Green Tribunal ("NGT"), ordered closure of certain units of Gajraula including that of the Company, for suspected disposal of effluents. Upon submission, NGT later passed an order permitting the operations w.e.f. 16th May 2017 at our plant at Gajraula.

The Company is equipped with a state-of-the-art effluent treatment plant with RO and has a "zero liquid discharge" operation status.

There were no other significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

The Company is environmentally conscious and operates its plant in Gajraula (U.P.), with zero discharge and is in compliance with all applicable environmental norms and laws including previous consents from NGT and State Pollution Control Board.

CONSERVATION OF ENERGY ETC.

The details as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure-4 and forms part of it.

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each director to the median employee's remuneration and other requisite details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-5. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report, However, in terms of provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is available for inspection at the Registered Office of the Company during working hours.

CORPORATE GOVERNANCE

Corporate Governance - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism:

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis,



Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report.

The Corporate Governance Report which forms part of this Report, also covers the following:

- a) Particulars of the Four Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.

DEPOSITS

The Company has not taken any deposits from the public.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any ;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CAUTIONARY STATEMENT

Management Discussion and Analysis Report contains forward looking statements which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements.

These are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise such forward looking statements, on the basis of any subsequent development information or events.

ACKNOWLEDGEMENT

The Directors wish to thank its Customers, Shareholders, Banks, Dealers, Suppliers and Government Authorities for their continued support.

The Board also places on record its sincere appreciation of the hard work, put in by the employees at all levels during the period under report.

On behalf of the Board of Directors

Place : New Delhi
Date : 3rd May 2018

D.B. DODA
(Director)

R.C. Periwal
(Director)



ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

ANNEXURE-1

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2018

[PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT & ADMINISTRATION) RULES, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15111UP1992PLC014942
2.	Registration Date	02.12.1992
3.	Name of the Company	Umang Dairies Limited
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	Registered office :- Gajraula, Hasanpur Road Gajraula -244235 Dist. Amroha, Uttar Pradesh Ph. No. : (05924) 252491 - 2 Fax No. : (05924) 252495 Email ID:-sharesumang@jkmil.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of Registrar and Transfer Agent, if any.	MAS Services Limited T-34, 2nd Floor, Phase- II Okhla Industrial Area New Delhi – 110 020 Ph. No. : (011) 26387281/82/83 Fax No. : (011) 26387384 Email ID : info@masserv.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:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Ghee	10504	34.87
2.	Milk powder	10502	64.24

* As per National Industrial Classification (2008) – Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
NIL					



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 (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters**									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	16415734	0	16415734	74.61	16415734	0	16415734	74.61	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	16415734	0	16415734	74.61	16415734	0	16415734	74.61	0
(2) Foreign									
a) NRI -Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	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 (A) = (A)(1) + (A)(2)	16415734	0	16415734	74.61	16415734	0	16415734	74.61	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	12000	12000	0.05	0	12000	12000	0.05	0
b) Banks / FI	800	3300	4100	0.02	11737	3300	15037	0.07	0.05
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	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	800	15300	16100	0.07	11737	15300	27037	0.12	0.05
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	236876	30300	267176	1.21	432230	30300	462530	2.10	0.89
ii) Overseas	0	0	0	0	0	0	0	0	0
** The total shareholding of Promoters at (A) above includes 54,42,769 Equity Shares (24.74%) as on 31.3.2018 pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.									



UMANG DAIRIES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2840513	1341344	4181857	19.01	2933036	1310444	4243480	19.29	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	792647	0	792647	3.60	631731	0	631731	2.87	(0.73)
c) Others (specify)									
(i) Non Resident Indians/OCB	105952	0	105952	0.49	94451	0	94451	0.43	(0.06)
(ii) Clearing Member	223234	0	223234	1.01	108237	0	108237	0.49	(0.52)
(iii) Trust	500	0	500	0.00	20000	0	20000	0.09	0.09
Sub-total (B)(2):-	4199722	1371644	5571366	25.32	4219685	1340744	5560429	25.27	(0.05)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4200522	1386944	5587466	25.39	4231422	1356044	5587466	25.39	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	20616256	1386944	22003200	100	20647156	1356044	22003200	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April 2017)			Shareholding at the end of the year (as on 31 st March 2018)			% 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	
1	Bengal & Assam Company Ltd.	1,09,72,965	49.87	-	1,09,72,965	49.87	-	-
	Total	1,09,72,965	49.87	-	1,09,72,965	49.87	-	

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

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bengal & Assam Company Ltd.				
	At the beginning of the year	1,09,72,965	49.87	1,09,72,965	49.87
	Date wise Increase / Decrease in Promoters Shareholding during the year.	NO CHANGE			
	At the end of the year i.e., 31.03.2018			1,09,72,965	49.87



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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding at the end of the year (31st March 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Juggilal Kamlatpat Udyog Ltd	3850000	17.50	3850000	17.50
2.	Florence Investech Ltd	1194965	5.43	1194965	5.43
3.	Accurate Finman Services Limited	397804	1.81	397804	1.81
4.	Rikeen Pradip Dalal	-	-	300000	1.36
5.	Equity Intelligence India Private Limited	-	-	99150	0.45
6.	Choice International Limited	-	-	82000	0.37
7.	Vijay Kumar Singh	73950	0.33	73450	0.33
8.	Rajesh Kumar Rameshbhai Prajapati	65500	0.30	47000	0.21
9.	Suresh Dindayal Khatri	47000	0.21	47000	0.21
10.	Manisha Prajapati	50000	0.23	43000	0.20

Note: Around 94% of the Shares of the Company are held in dematerialized form and are traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

1. Shri Ratan Chand Jain, Director

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Ratan Chand Jain, Director				
	At the beginning of the year	100	0.0	100	0.0
	Date wise Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e. 31.03.2018			100	0.0

2. Shri Desh Bandhu Doda, Director

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Desh Bandhu Doda, Director				
	At the beginning of the year	50	0.0	50	0.0
	Date wise Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e. 31.03.2018			50	0.0



UMANG DAIRIES LIMITED

NOTE: Smt. Sharda Devi Singhanian, Shri Ram Chandra Periwal, Directors of the Company and Shri C. Venugopal, Chief Executive Officer and Shri Nemi Chand Baheti, Manager (ceased w.e.f. 10th May 2017) and Shri Diwan Singh, Chief Financial Officer and Shri Pankaj Kamra, Company Secretary of the Company were not holding any shares in the Company at the beginning of the year, i.e. as on 1st April 2017 and at the end of the year i.e., as on 31st March 2018 and hence there was no increase/decrease in their shareholding during the year 2017-18.

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3015.73	-	-	3015.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14.69	-	-	14.69
Total (i+ii+iii)	3030.42	-	-	3030.42
Change in Indebtedness during the financial year				
• Addition	2090.10	-	-	2090.10
• Reduction	500.07	-	-	500.07
Net Change	1590.03	-	-	1590.03
Indebtedness at the end of the financial year				
i) Principal Amount	4605.76	-	-	4605.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.75	-	-	7.75
Total (i+ii+iii)	4613.51	-	-	4613.51

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ in Lakhs)

A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:		
Sl. No.	Particulars of Remuneration	Name of MD/WT/Manager	Total Amount
		Shri Nemi Chand Baheti - Manager (01.04.2017 to 10.05.2017)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.38	15.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.20	0.20
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option/Sweat Equity/Commission	-	-
3	Others: Contribution to Provident Fund and Insurance	0.19	0.19
	Total(A)	15.77	15.77
	Ceiling as per Act	₹ 27.14 Lakhs (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	



(₹ In Lakhs)

B. Remuneration to other directors:				
Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Shri Ratan Chand Jain	Shri Ram Chandra Periwal	
	• Fee for attending Board/ Committee Meetings	2.80	3.93	6.73
	• Commission	-	-	-
	Total (1)	2.80	3.93	6.73
2.	Other Non-executive Directors	Smt.Sharda Devi Singhania	Shri Desh Bandhu Doda	
	• Fee for attending Board/ Committee Meetings	1.20	3.99	5.19
	• Commission	-	-	-
	Total (2)	1.20	3.99	5.19
	Total (B) = (1+2)			11.92
	Total Managerial Remuneration (A+B)			27.69*
	Overall Ceiling as per Act	Rs. 59.70 Lakhs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		

* Total Remuneration to Non- Executive Directors, Independent Directors and Managers (being the total of A and B), includes sitting fees of Rs. 11.92 Lakhs.

(₹ in Lakhs)

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Shri C. Venugopal, Chief Executive Officer	Shri Diwan Singh, Chief Financial Officer	Shri Pankaj Kamra, Company Secretary	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80.83	27.17	7.38	115.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.52	0.82	0.15	7.49
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option/Sweat Equity/Commission	-	-	-	-
3	Others; Contribution to Provident Fund and Insurance	3.96	1.33	0.36	5.65
	Total	91.31	29.32	7.89	128.52

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.



CORPORATE SOCIAL RESPONSIBILITY REPORT

I. Company's CSR Philosophy and Belief

Umang Dairies endeavours to create communities that are economically viable and socially inclusive. Our CSR programmes are thus a participatory exercise designed to provide better livelihood opportunities. We also support all National Programs that are aimed at uplifting the status of women, livelihood support through micro enterprises, enabling access to healthcare, sanitation and education.

II. CSR Policy

The Company has been focussing on inclusive growth and it has been undertaking activities aimed at welfare of the society in the areas pertaining to Dairy Interest Groups (DIGs), animal welfare, adult literacy among women, free health check-up camps etc.

The Company has framed a CSR Policy as required under Section 135 of the Companies Act 2013. The details of the CSR Policy has been posted on the website of the Company and the web-link for the same is <http://www.umangdairies.com/CSRPoly.pdf>

III. ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2018.

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs-

The CSR at UDL is focused on creating economic and social well being of the communities around our plant in Gajraula. Milk farming traditionally has been a vital component of the local economy and has been a major source of income for the poor & landless.

The CSR strategy thus identified two key interventions:

- provide services for superior animal breeding & nutritional feeds that generate higher yields per animal and enhanced milk producing life cycle.
- enable formation of women DIGs an intervention that not only creates income opportunities but also empowers them socially.

The company also continued with its traditional interventions like Adult Education, organizing health & blood donation camps for the general population, tree plantation etc.

Specific Highlights in each of the activities are provided below:

Dairy Interest Groups

- 562 DIGs comprising 5664 women and 30 men were formed
- Villages covered 154
- 376 DIGs were linked to the banks.
- Members of 30 DIGs were provided with first training on five important aspects of group formation viz., why DIGs, monthly meeting, book keeping, bank & credit linkage & role of DIG leaders.
- 52 DIGs have received revolving fund of Rs 15000 per DIG from NABARD.
- 66 SHGs have been credit linked with the banks and amount varies from Rs. 25,000 to Rs. 1,00,000 per SHG
- Unsecured loan of Rs. 35.40 Lakhs given by banks to DIGs during FY 2017-18 till March 2018

Farmers Club

- 13 farmer clubs have been mobilised and formed in association with NABARD.
- One day orientation programme for the members – event was marked by the presence of Chief Development Officer of two districts (Amroha and Moradabad)
- Trainings for the members of farmers club for organic cultivation
- Exposure visit for the members of farmers club for Agri Clinic Agri Business Centre at Moradabad to understand the process vermin compost and organic cultivation.



Healthcare & Sanitation

- Awareness & advocacy meetings with women on sanitation & hygiene routinely undertaken.

Skill Up-Gradation Training

- Five Skill up gradation trainings for cutting tailoring has been organised for self help groups and every batch has 30 participants
- Villages Covered – Khalapur Kalan, Kamalpur, Mussalepur, Mangroli and Rampur

2. The Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

- Shri R. C. Periwal (Chairman of the Committee), Independent Director
- Shri R. C. Jain, Independent Director
- Shri D. B. Doda, Non-Independent Director

3. Average Net Profit of the Company for last three financial years: Rs. 951.49 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 19.03 Lakhs.

5. Details of CSR spent during the financial year

- Total amount to be spent for financial year : Rs. 19.03 Lakhs
- Amount unspent, if any : Nil
- Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

1	2	3	4	5	6	7	8
Sl. 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	Initiative for Employability & Livelihood enhancement activities (DIG's)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;	Gajraula, Dist. Amroha,	16.08	16.10	16.10	SPARSH
2	Skill up-gradation training for SHG members on cutting and tailoring	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;	Gajraula, Dist. Amroha,	2.50	2.46	2.46	SPARSH



1	2	3	4	5	6	7	8
Sl. 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
3	Miscellaneous Expenses	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;	Gajraula, Dist. Amroha,	0.45	0.47	0.47	SPARSH
Total				19.03	19.03	19.03	

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: New Delhi
Date: 3rd May 2018

Shri D. B. Doda
Director

Shri R. C. Periwal
Chairman, CSR Committee



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Umang Dairies Limited,
Gajraula-Hasanpur Road, Gajraula – 244235
Dist. Amroha, Uttar Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Umang Dairies 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 opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (Audit Period), 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 the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (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- (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the company and complied with:-
 - UP Milk Act, 1976
 - Water (Prevention and Control of Pollution) Cess Act, 1977



UMANG DAIRIES LIMITED

- UP Krishi Utpadan Mandi Samiti Adhiniyam, 1964
- Food Safety and Standards Act, 2006
- Agricultural and Processed Food Products Export Act, 1986
- Agricultural Produce (Grading and Marketing) Act, 1937

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

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India
- (ii) The Listing Agreement(s) entered into by the Company with the Stock Exchange.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, one of whom is an Occupier.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act – Not applicable during the audit period

Adequate Notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings and stated in the Directors Report, 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, during the audit period, there has been no specific event, except that the company obtained members approval, vide special resolutions passed at the company's annual general meeting held on 27th September, 2017 for increasing the limit for borrowing moneys from company's bankers from Rs. 50 crores upto an amount not exceeding Rs. 100 crores at any one time and to create mortgage and / or charge therefore on the company's immovable and movable properties.

This report is to be read alongwith the following:

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi

Date: 2nd May, 2018

Namo Narain Agarwal
Secretarial Auditor
FCS NO. 234, CP No. 3331



ANNEXURE-4

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO IN TERMS OF SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ACCOUNTS) RULES, 2014.

A) CONSERVATION OF ENERGY:-

- I. These steps taken on conservation / alternate source of energy
 - a. Increase in the Turbine power generation with same steam consumption by doing modification in existing Turbine. We got 20% additional power after modification.
 - b. Replaced all conventional lights with LED and save 1.76 lakh Kwh units per annum.
 - c. Installed VFD at chiller compressor and save power approx 16,000 Kwh per annum.
 - d. Installed 5 nos chilled water diffusers in place of air conditioners in plant and saved 70,000 Kwh / Annum.
 - e. Reduced high pressure steam consumption and optimized the steam utilization. Saved 20-25 TPH Steam per day.
 - i. Installed PRDS at VAM-2
 - ii. Installation of Auto vent valve at TG against manual operation.
 - iii. Modification of Dryer radiator from MP to LP steam.
 - iv. Modification of Milkraft evaporator from MP to LP steam.
 - v. Increase in condensate recovery of Boiler by installation of auto drain valve with sensor.

B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:-

Following projects have been initiated, completed and in partly completed during Financial Year 2017-18:-

- a. ETP expansion 1000 KLPD to 1750 KLPD to meet CPCB norms and Zero discharge.
- b. Use E- Trolley for Store material movement and save 2 man days cost per day.
- c. New upgraded 33 KV HT breaker install at Grid Power to ensure safety.
- d. Upgradation of ACB 1600 AMP to full utilise DG power during Power Failure.

C) RESEARCH & DEVELOPMENT

The Company has spent Rs 0.94 Lakhs on R & D during the year.

In our R & D Wing, we are working on Development of new product to enhance our product basket in the market and also improving quality and cost reduction in existing product basket.

During the Year R & D team worked on some new products like:-

1. Dairy Top with new formulation
2. Milk Star with new formulation
3. White Magik – for IRCTC with new formulation
4. Paneer – Shelf life extension to 9 months which was 6 months

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lakhs)

Foreign Exchange earned	27.37
Foreign Exchange used	8.92



DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, FOR THE FY ENDED 31ST MARCH 2018:

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Sl. No.	Directors	Ratio to median Remuneration*
1.	Shri R.C. Periwal	1.53
2.	Shri D.B.Doda	1.55
3.	Shri R.C.Jain	1.09
4.	Smt. Sharda Devi Singhania	0.47

* Only sitting fee paid to Directors.

- B. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary or manager, in the financial year 2017-18 - The increase in the Financial Year 2017-18 in remuneration of Smt. Sharda Devi Singhania, No Increase; Sh. R. C. Periwal, 3.42%; Sh. D. B. Doda, 15.48%; Sh. R. C. Jain, No Increase; Sh. C. Venugopal, Chief Executive Officer, 16.11%; Sh. N.C. Baheti, Manager, No Increase (Ceased w.e.f. 10th May 2017); Sh. Diwan Singh, Chief Financial Officer, Not Applicable (Appointed w.e.f. 28th March 2017) and Sh. Pankaj Kamra, Company Secretary, 5.62%. The Remuneration paid to Directors and KMP is available at para VI of Form MGT-9 annexed to this report.
- C. The percentage increase in the median remuneration of employees in the financial year: 3.41%
- D. The number of permanent employees on the rolls of Company as on 31st March 2018: 281
- E. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 8.00% whereas the increase in the managerial remuneration for the same financial year: Not Applicable.
- F. We affirm that the remuneration paid during the year 2017-18 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

On behalf of the Board of Directors

Place : New Delhi

D.B. DODA

R.C. Periwal

Date : 3rd May 2018

(Director)

(Director)



CORPORATE GOVERNANCE REPORT

1. **Company's Philosophy on Code of Governance:** Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are :-

- Commitment to excellence and customer satisfaction
- Maximizing long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practised by its entire management cadre.

2. Board of Directors

The Board of Directors presently consists of four Non-Executive Directors of which two are Independent Directors. Details are as given hereunder:

S.No. [^]	Name of the Director	Category	No. of Board Meetings attended during 2017-18	Whether attended last A.G.M. (27.09.2017)	No. of other Directorships and Committee Memberships/ Chairmanships held in other Companies		
					Other Directorships*	Other Committee Memberships **	Other Committee Chairmanships **
1.	Shri R. C. Periwal Δ	Non-Executive Independent	4	Yes	1	1	-
2.	Shri R.C. Jain Δ	Non-Executive Independent	4	Yes	-	-	-
3.	Shri D. B. Doda	Non- Executive Non-Independent	4	Yes	-	-	-
4.	Smt. Sharda Devi Singhania	Non-Executive Non-Independent	4	No	-	-	-

Δ The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

* excluding Private Ltd. Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

** only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

[^] DIN of the above named Directors in seriatim: 1. DIN: 00168904, 2. DIN: 00165590, 3. DIN: 00165518 and 4. DIN: 01685496

At present the Directors of the Company have not elected any permanent Chairman but the Directors present at each meeting elect one of the non-executive Directors then present to be the Chairman of the meeting. However, the Company complies with requirement of Regulation 17 of the Listing Regulations, as two out of the four Directors are independent.

Shri N. C. Baheti ceased to be the Manager under Company's Act, 2013 on 10th May 2017.



Date & Number of Board Meetings held

Four Board Meetings were held during the year 2017-18, i.e. on 26th May 2017, 8th August 2017, 8th November 2017 and 24th January 2018.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

The Company already has a Code of Conduct in position for Management Cadre Staff. In terms of provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good corporate governance, the Board has laid down a code of conduct for all Board Members and Senior Management of the Company and the same is available on the website of the Company (www.umangdairies.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said code. This report contains a declaration to this effect signed by Chief Executive Officer (CEO). The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

Relationship between Directors inter-se: None of the Directors are related to each other.

3. Separate Meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 24th January 2018. Shri R.C. Periwal was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

4. Familiarisation Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarization programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is: <http://www.umangdairies.com/Familiarisation%20Programme%20of%20INDs.pdf>

5. Performance Evaluation

The Board of Directors has made formal annual evaluation of its own performance, and that of its committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under the Listing Regulations. Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure,

effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman of the meetings of the Board of the Company was evaluated taking into account the views of the non-executive directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were satisfied in this regard.

6. Audit Committee

The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee presently consists of three Directors, out of which two are Independent Directors and one is Non-Independent Director. Four meetings of the Audit Committee were held during the year 2017 -18 as detailed hereunder:

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of members attended
26 th May 2017	3
8 th August 2017	3
8 th November 2017	3
24 th January 2018	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri R. C. Jain	Member	4



Shri R. C. Periwal	Member	4
Shri D.B. Doda	Member	4

The Audit Committee does not have a permanent Chairman. The members of the Audit Committee present at each meeting elect one of the Independent Director to be the Chairman of the meeting.

All the Committee Meetings were attended by the Internal Auditor, Company Secretary and the representative of Statutory Auditor. The Head of Finance Function also regularly attends the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

7.1 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee presently consists of three Directors out of which two are Independent Directors namely Shri R.C. Periwal and Shri R.C. Jain, and one is Non-Executive Non-Independent Director namely Shri D.B. Doda. The Composition and the terms of reference of the committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

One meeting of the Nomination and Remuneration Committee was held during the year 2017-18 as detailed hereunder:

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of members attended
24 th January 2018	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri R.C. Jain	Member	1
Shri R.C. Periwal	Member	1
Shri D.B. Doda	Member	1

The Nomination and Remuneration Committee does not have a permanent Chairman. The members of the Nomination and Remuneration Committee present at each meeting elect one of the Independent Director to be the Chairman of the meeting.

7.2 Nomination and Remuneration Policy:

In accordance with the provisions of the Companies Act 2013 and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management of the Company including criteria for determining qualifications, positive attributes, independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

- The Nomination and Remuneration Committee of Directors (the Committee) shall take into

consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

- The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.
- The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.



7.3 Remuneration Paid to the Directors:

The Company has paid sitting fees aggregating to Rs. 11.92 Lakhs to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate meeting of Independent Directors), during the financial year 2017-18. Number of Equity Shares of Rs. 5/- each of the Company held by Non-Executive Directors: Shri D.B. Doda (50 Equity Shares) and Shri R.C. Jain (100 Equity Shares).

The Non-Executive Directors did not have any other material pecuniary relationship or transaction vis-a-vis the Company during the year.

8. Stakeholders' Relationship Committee:

The Committee presently consists of three directors namely Shri R.C. Periwal (Chairman), Shri R.C. Jain and Shri D.B. Doda. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Four meetings of the said Committee were held during the year 2017-18 as detailed here under:

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of members attended
26 th May 2017	3
8 th August 2017	3
8 th November 2017	3
24 th January 2018	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri R. C. Periwal	Chairman	4
Shri R. C. Jain	Member	4
Shri D.B. Doda	Member	4

Shri Pankaj Kamra, Company Secretary, is the Compliance Officer.

Two investor complaints were received during the financial year ended 31st March 2018, all of which were promptly resolved to the satisfaction of the investor concerned. The Board had delegated the power of share transfer to Share Transfer Committee of Directors, which approves registration of transfer and transmission of shares in physical mode as and when required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the year ended 31st March, 2018, 33 meetings of the said Share Transfer Committee of Directors were held.

9. General Body Meetings:

- (i) Location and time for last three Annual General Meetings were:

Year	Location	Date	Time
2014-2015	Gajraula Hasanpur Road Gajraula - 244235 Distt. Amroha (U.P.)	29.09.2015	11.30 A.M.
2015-2016	Same as above	21.09.2016	11.30 A.M.
2016-2017	Same as above	27.09.2017	11.30 A.M.

- (ii) No Special Resolutions were required to be put through postal ballot last year. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.
- (iii) Special Resolutions passed in previous 3 Annual General Meetings:
- (a) Special Resolution was passed at the last Annual General Meeting of the Company held on 27th September 2017.
- (i) to authorize the Board of Directors to borrow money upto an amount not exceeding Rs. 100 Crores.
- (iii) to authorize the Board of Directors to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding Rs. 100 Crores.
- (b) Special Resolution was passed at the Annual General Meeting of the Company held on 21st September 2016.
- (i) Re-appointment of Shri R. C. Jain (DIN: 00165590), as an Independent Director, for a further term of five consecutive years.
- (c) No Special Resolution was passed at the Annual General Meeting of the company held on 29th September 2015

10. DISCLOSURES:

- (I) **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large: None

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on dealing with Related Party Transactions and also on the materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.umangdairies.com/RelatedPartyTransactionPolicy.pdf>.



Suitable disclosure as required by Indian Accounting Standard (IndAs)-24 on Related Party transactions has been made in the Annual Report.

- (ii) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None.

- (iii) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 7th August 2014 has formulated a Vigil Mechanism/ the Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

- (iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up a Complaint Committee at its work place(s) to redress the complaints of women employees.

During the year, no complaint has been filed with the said Committee with allegation of Sexual Harassment.

- (v) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

- (vi) **Disclosure of commodity price risks and commodity hedging activities:** The Company is not subject to commodity price risk and therefore was not required to undertake any commodity hedging activities in this regard.

- (vii) **Subsidiary Companies:** During the year, the Company did not have any subsidiary.

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the

same is disclosed on the Company's Website. The web link is <http://www.umangdairies.com/Policy%20for%20Determining%20material%20Subsidiary.pdf> During the year, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of the Listing Regulations.

- (viii) **Corporate Social Responsibility Committee:** The Company has a "Corporate Social Responsibility Committee of Directors" which comprises of three Directors out of which two are Independent Directors. The composition and role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31st March 2018 i.e., on 26th May 2017 and 24th January 2018.

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri R. C. Periwal	Chairman	2
Shri R. C. Jain	Member	2
Shri D.B. Doda	Member	2

11. **Means of Communication:** Quarterly, half yearly and annual financial results are normally published in English Newspaper Business Standard/Financial Express/Mint and Business Standard/Jansatta, Lucknow Edition, Hindustan Moradabad in Hindi and are promptly furnished to the Stock Exchange for display on their respective websites. The results are also displayed on the website of the company "www.umangdairies.com". 'Management Discussion & Analysis' forms part of the Annual Report.

Presentations made to the institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

12. General Shareholders' Information:

(i) Annual General Meeting :

- (a) Date and Time : Wednesday, 19th September 2018 at 11.30 A.M.
Venue : Gajraula Hasanpur Road, Gajraula – 244 235 Distt. Amroha, Uttar Pradesh.
- (b) A brief resume and other particulars of Director(s) seeking re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

- (ii) **Book Closure** : 13th September 2018 to 19th September 2018 (both days inclusive)

- (iii) **Dividend Payment Date** : within three week from AGM



UMANG DAIRIES LIMITED

(iv) **Financial Calendar** : Year Ending March 31
Annual General Meeting : Between June and
for the year ending September 2019
March 31, 2019

(v) **Name and address of Stock Exchanges (including Stock Code) where equity shares of the Company are listed:**

The Equity Shares of the Company are listed on the following Stock Exchanges :

BSE Limited	National Stock Exchange of India Ltd.
(Stock Code -500231)	(Stock Code – UMANGDAIRY)
Phiroze Jeejeebhoy	"Exchange Plaza"
Towers, Dalal Street	Bandra-Kurla Complex,
Mumbai – 400 001	Bandra (East) Mumbai-400 051

The annual listing fee for the financial year 2018-19 has been paid to both the aforesaid Stock Exchanges.

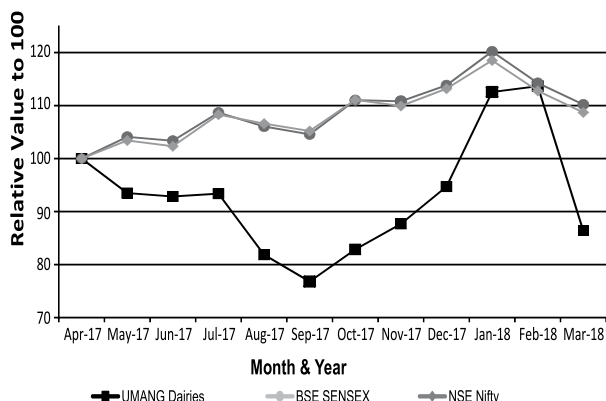
(vi) **Stock Market Price Data:**

Month	Stock Market Price on BSE Limited		Stock Market Price on National Stock Exchange of India Ltd. (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
2017				
April	95.35	76.90	95.20	76.40
May	91.05	76.00	90.90	77.00
June	89.65	77.50	89.70	77.00
July	87.60	75.00	87.95	74.00
August	82.00	68.00	84.00	66.65
September	74.90	64.50	75.00	63.50
October	79.15	65.85	81.00	65.10
November	81.00	65.00	80.90	65.00
December	87.15	70.40	87.40	69.75
2018				
January	112.00	79.00	111.50	78.80
February	105.40	79.10	105.75	77.40
March	99.40	72.30	99.95	72.60

(Source : www.bseindia.com)

(Source: www.nseindia.com)

(vii) **Umang Dairies Ltd.'s Share Performance vs. BSE Sensex and NSE Nifty (April 2017 to March 2018)**



(viii) **Dematerialisation of shares and liquidity:**

The Equity Shares of the Company are presently tradable in compulsory demat segment. The ISIN No. for Equity Shares of the Company for both the depositories is INE864B01027. As on 31st March 2018, 93.84% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in electronic form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. The Company will not be in a position to process such requests.

(ix) **Share Transfer System:**

The transfer / transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.



(x) (a) Distribution of shareholding (both in physical and electronic form) as on 31st March, 2018:

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	20054	94.38	2441559	11.09
501 to 1,000	615	2.89	510485	2.32
1,001 to 5,000	483	2.27	1056675	4.80
5,001 to 10,000	59	0.28	410709	1.87
Over 10,000	37	0.18	17583772	79.92
Total	21248	100	22003200	100

(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2018:

Category	No. of Equity Shares held	Percentage of Share holding
Domestic Companies	16796264	76.34
Resident Individuals & Trusts	5003448	22.74
FIs, Mutual Funds, Banks/NBFCs	109037	0.49
Foreign Investors/ FIIs / NRIs	94451	0.43
Total	22003200	100

(xi) Outstanding GDRs / ADRs / Warrants or any other Convertible Instrument, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any other Convertible Instruments. As such there will be no impact on the equity.

(xii) Commodity price risk or foreign exchange risk and hedging activities:

The Company is not subject to commodity price risk or foreign exchange risk and therefore was not required to undertake any hedging activities in this regard.

(xiii) Plant locations:

Umang Dairies Limited
Gajraula Hasanpur Road, Gajraula – 244 235
Distt. Amroha, Uttar Pradesh.

(xiv) Address for Correspondence for Share Transfer and related matters:

1. Registrar & Share Transfer Agents:

MAS Services Ltd.
T-34, IInd Floor, Okhla Industrial Area, Phase – II
New Delhi – 110 020
Ph. 011-26387281/82
E-mail: info@masserv.com
Website: www.masserv.com

2. Company Secretary

Umang Dairies Limited
Gulab Bhawan (Rear Block – 3rd Floor)

6A, Bahadur Shah Zafar Marg
New Delhi – 110 002
Ph. 011- 30179776, Fax No. 011- 23739475
E-mail: csudl@jkmil.com
Website: www.umangdairies.com

(xv) This Corporate Governance Report of the Company for the financial year ended 31st March 2018 are in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xvi) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) Shareholder Rights: Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.umangdairies.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (b) Modified opinion(s) in audit report: The financial statements of the Company for the year ended 31st March 2018 are with unmodified audit opinion; (c) Separate posts of Chairperson and CEO: At present the Directors of the Company have not elected any permanent Chairman but the Directors present at each meeting elect one of the non-executive Directors then present to be the Chairman of the meeting and Sh. C. Venugopal is the CEO of the Company; and (d) Reporting of Internal Auditor: Internal Auditor of the Company reports to the Audit Committee and Internal Audit Reports are placed before the Audit Committee.

(xvii) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xviii) Disclosure with respect to demat suspense account/ unclaimed suspense account.

The Company does not have any amount lying with respect to demat suspense account/unclaimed suspense account.

13. Declaration:

It is hereby declared that all the members of the Board and Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of Umang Dairies Limited" during the Financial Year ended 31st March 2018.

C. Venugopal
Chief Executive Officer

14. Code for Prevention of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, in terms of the said Regulations.



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Umang Dairies Limited

We have examined the compliance of regulations of Corporate Governance by Umang Dairies Limited ('the Company'), for the year ended March 31, 2018 as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulations 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance, issued by The Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further 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.

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Place: New Delhi
Date: 3rd May, 2018

B. K. Sipani
Partner
Membership No.088926

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UMANG DAIRIES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Umang Dairies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind-AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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 the Annexure-A statements on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 31 of the Financial Statements.
 - b) The Company did not have any long term contracts including derivative contracts for

which there were any material foreseeable losses.

- c) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with the Accounting Standards referred in section 133 of the Companies Act, 2013 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated 26th May, 2017 and 12th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Place: New Delhi
Date: 3rd May, 2018

B. K. Sipani
Partner
Membership No.088926



Annexure-A

ANNEXURE REFERRED TO IN PARAGRAPH-1 OF OUR REPORT OF EVEN DATE ON THE OTHER LEGAL AND REGULATORY REQUIREMENTS (RE:UMANG DIARIES LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in case of certain assets where the same is in process of updation.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years except assets lying with third parties. In accordance with this programme, fixed assets were verified during the year. The discrepancies noticed on such physical verification were not material.
- (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 management has conducted physical verification of inventories except stock lying with third parties during the year at reasonable interval and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies' Act, 2013. Therefore, the provisions of clause 3(iii) of the Order are not applicable.
- (iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits covered under section 76 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues

including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable except Mandi Tax of Rs. 6.23 Lakhs.

(b) According to the records of the Company there are no dues outstanding on account of Income-tax, Sales-tax, Value Added Tax, Service Tax, Duty of customs, Duty of excise and Cess on account of any dispute except the followings:

Name of Statute	Nature of dues	Amount (Rs. in Lakhs)	Period	Forum where dispute is pending
Sales-tax Act	Sales Tax Demand/ Penalty/ Interest	1.78	1994-95 / 1998-2000	Sales tax Tribunal
		40.65	1995-2007	Appellate Authorities
		3.00	1995-96	High Court
		41.74	2010-2015	Appellate Authorities
Income Tax Act, 1961	Disallowances of Income Tax	901.45	2011-12 to 2013-14	CIT Appeals

- (viii) The Company has not defaulted in repayment of dues to bank. The company did not have any borrowing from any financial institution or Government and dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans were applied for the purpose for which loans were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (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. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (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.
- (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 directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Place: New Delhi
Date: 3rd May, 2018

B. K. Sipani
Partner
Membership No.088926



ANNEXURE - B TO THE AUDITOR'S 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 over financial reporting of Umang Dairies Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the Ind-AS 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 over financial reporting 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'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind-AS 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 system over financial

reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Place: New Delhi
Date: 3rd May, 2018

B. K. Sipani
Partner
Membership No.088926



BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs, unless stated otherwise)

S.No.	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	ASSETS				
(1)	Non-current Assets				
	(a) Property, Plant and Equipment	2	7,072.35	7,161.13	5,155.89
	(b) Capital work-in-progress		434.80	46.75	1,727.54
	(c) Other Intangible Assets	3	25.62	21.33	0.20
	(d) Intangible Assets under development		-	-	7.73
	(e) Financial Assets				
	(i) Other Financial Assets	4	63.63	63.28	62.70
	(f) Other non-current assets	5	48.69	67.50	40.38
			7,645.09	7,359.99	6,994.44
(2)	Current Assets				
	(a) Inventories	6	3,718.06	3,923.06	3,478.50
	(b) Financial Assets				
	(i) Trade receivables	7	1,241.85	434.77	266.49
	(ii) Cash and cash equivalents	8	39.69	44.89	39.65
	(iii) Other Bank Balances other than (ii) above	9	39.32	39.61	26.27
	(iv) Other Financial Assets	10	11.27	17.53	10.51
	(c) Current Tax Assets (Net)		421.54	398.73	221.86
	(d) Other current assets	11	204.51	167.26	78.48
			5,676.24	5,025.85	4,121.76
	TOTAL ASSETS		13,321.33	12,385.84	11,116.20
B	EQUITY AND LIABILITIES				
(1)	Equity				
	(a) Equity Share Capital	12	1,100.16	1,100.16	1,100.16
	(b) Other Equity		4,192.80	3,657.09	3,765.98
			5,292.96	4,757.25	4,866.14
(2)	Liabilities				
(i)	Non-current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	13	797.25	615.55	882.22
	(ii) Other Financial Liabilities	14	11.00	332.19	257.09
	(b) Provisions	15	180.94	155.26	123.99
	(c) Deferred tax liabilities (Net)	16	733.04	760.96	733.45
	(d) Other non-current liabilities	17	974.01	8.19	27.50
			2,696.24	1,872.15	2,024.25
(ii)	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	18	3,348.25	1,771.64	811.29
	(ii) Trade payables	19	618.03	1,404.56	441.81
	(iii) Other Financial Liabilities	20	1,101.34	1,176.99	1,430.47
	(b) Other current liabilities	21	258.53	1,368.70	1,518.48
	(c) Provisions	22	5.98	34.55	23.76
			5,332.13	5,756.44	4,225.81
	TOTAL EQUITY AND LIABILITIES		13,321.33	12,385.84	11,116.20

Significant Accounting Policies and other notes on financial statements 1-42

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

B. K. Sipani
Partner

M.No. 088926
New Delhi, the 3rd of May, 2018

C. Venugopal
(Chief Executive Officer)

Pankaj Kamra
(Company Secretary)

Diwan Singh
(Chief Financial Officer)



UMANG DAIRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs, unless stated otherwise)

S. No.	Particulars	Note No.	FY 2017-18	FY 2016-17
I.	Revenue from Operations	23	24,528.54	20,936.38
II.	Other Income	24	47.47	139.36
III.	Total Income (I+II)		24,576.01	21,075.74
IV.	Expenses			
	Cost of materials consumed		16,349.07	15,410.21
	Change in inventories of finished goods, work-in-progress and stock-in-trade	25	349.16	(269.64)
	Excise duty		0.12	1.33
	Employee benefits expense	26	2,180.93	1,507.47
	Finance costs	27	373.74	144.25
	Depreciation and amortization expense		358.95	339.47
	Other expenses	28	4,353.60	3,693.72
	Total Expenses (IV)		23,965.57	20,826.81
V.	Profit before tax (III-IV)		610.44	248.93
VI.	Tax Expense			
	(1) Current Tax	29	115.56	54.61
	(2a) Deferred Tax	16	93.12	83.94
	(2b) MAT Credit Entitlement		(125.30)	(54.61)
VII.	Profit for the year (V-VI)		527.06	164.99
VIII.	Other Comprehensive Income			
(A)	Items that will not be reclassified to profit or loss :			
	Re-measurement Gain / (Losses) on defined benefit plans		12.94	(13.54)
	Tax on above		(4.28)	4.48
(B)	Items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income (A+B)		8.66	(9.06)
IX.	Total Comprehensive Income for the Year (VII+VIII)		535.72	155.93
X.	Earnings per equity share of Rs. 5 each			
	Basic and Diluted	30	2.40	0.75

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

B. K. Sipani
Partner

M.No. 088926
New Delhi, the 3rd of May, 2018

C. Venugopal
(Chief Executive Officer)

Pankaj Kamra
(Company Secretary)

Diwan Singh
(Chief Financial Officer)



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lakhs, unless stated otherwise)

	Particulars	FY 2017-18	FY 2016-17
A.	Cash Flow from Operating Activities		
	Profit Before Tax	610.44	248.93
	Adjustments for :		
	Depreciation	358.95	339.47
	Interest income	(19.74)	(22.84)
	Dividend received	-	(1.18)
	Net Gain on foreign currency translations and transactions	-	(1.71)
	Finance Costs	373.74	144.25
	(Profit)/loss on sale of Fixed Assets (net)	(0.13)	(28.49)
	Operating Profit before working capital changes	1,323.26	678.43
	(Increase)/ Decrease in Inventories	205.00	(444.56)
	(Increase) / Decrease in Trade Receivables	(807.08)	(168.28)
	(Increase) / Decrease in Financial Assets	6.27	(7.36)
	(Increase) / Decrease in Other Receivables	(37.18)	(88.72)
	Increase/ (Decrease) in Trade Payables	(786.53)	964.46
	Increase/ (Decrease) in Financial Liabilities	(174.43)	139.06
	Increase/ (Decrease) in Other Payables	(120.93)	(117.95)
	Cash Generated from Operations	(391.62)	955.08
	Direct Tax paid	(138.37)	(228.83)
	Net Cash from operating activities	(529.99)	726.25
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(704.28)	(769.21)
	Proceeds from sale of Fixed Assets	0.22	39.50
	Dividend received	-	1.18
	Movement in Fixed Deposits	-	(3.94)
	Interest Received	19.46	22.67
	Net Cash from Investing activities	(684.60)	(709.80)
C.	Cash Flow from Financing Activities		
	Redemption of Preference Share	-	(208.00)
	Dividend Paid (including Dividend Distribution Tax)	-	(264.82)
	Proceed from Long term borrowings	513.50	232.71
	Repayment of Long Term Borrowings	(500.04)	(508.60)
	Proceeds/(Repayment) of Short term borrowings	1,576.61	960.35
	Interest paid	(380.68)	(222.85)
	Net Cash used in financing activities	1,209.39	(11.21)
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(5.20)	5.24
	Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year	44.89	39.65
	Cash and Cash equivalents being Cash and Bank balances as the end of the year	39.69	44.89
	(Refer Note No. 8)		

Amendment to Ind AS 7

Effective April 1, 2017, the company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the Statement of Cash Flows.

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm's Reg No. 302049E

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

B. K. Sipani
Partner

M.No. 088926
New Delhi, the 3rd of May, 2018

C. Venugopal
(Chief Executive Officer)

Pankaj Kamra
(Company Secretary)

Diwan Singh
(Chief Financial Officer)



UMANG DAIRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs, unless stated otherwise)

A Share Capital

Particulars	As at 01.04.2016	Changes in equity share capital during the year	As at 31.03.2017	Changes in equity share capital during the year	As at 31.03.2018
Equity Shares - 2,20,03,200 of Rs. 5 each fully paid up	1,100.16	-	1,100.16	-	1,100.16
Balance at the end of the year	1,100.16	-	1,100.16	-	1,100.16

B Other Equity

Particulars	Capital Redemption Reserve	Retained Earnings		Other Compre- hensive Income	Total Other Equity
		General Reserve	Surplus in Statement of Profit & Loss		
Restated balance as at 1st April, 2016	100.00	455.45	3,210.53	-	3,765.98
Profit for the year			164.99		164.99
Other comprehensive income (Net of Taxes)				(9.06)	(9.06)
Dividend paid including Dividend Distribution Tax			(264.82)		(264.82)
Transfer to General Reserve		44.55	(44.55)		-
Transfer to Capital Redemption Reserve	108.00		(108.00)		-
As at 31st March, 2017	208.00	500.00	2,958.15	(9.06)	3,657.09
Profit for the year			527.06		527.06
Other comprehensive income (Net of Taxes)				8.66	8.66
Transfer to General Reserve		50.00	(50.00)		-
Transfer to Capital Redemption Reserve	151.00		(151.00)		-
As at 31st March, 2018	359.00	550.00	3,284.21	(0.40)	4,192.80

For and on behalf of the Board of Directors

As per our Report of even date attached.

For Singhi & Co.
Chartered Accountants
Firm's Reg No. 302049E

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

B. K. Sipani
Partner
M.No. 088926
New Delhi, the 3rd of May, 2018

C. Venugopal
(Chief Executive Officer)

Pankaj Kamra
(Company Secretary)

Diwan Singh
(Chief Financial Officer)



NOTES ON FINANCIAL STATEMENTS

I. The Company Overview

Umang Dairies Limited ("the Company") is a public limited Company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the Company is situated at Gajraula, Hasanpur Road, Gajraula -244235 Dist., Amroha, Uttar Pradesh, India. The Company is engaged in the business of dairy products.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on 3rd May, 2018.

II. Basis of preparation of financial statements:

(i) Statement of Compliance

The Financial Statements has been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Basis of preparation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

The financial statements up to year ended 31st March, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014, which hereinafter referred as "Previous GAAP".

The preparation of these financial statements resulted in changes to the Company's accounting policies as compared to the most recent annual financial statements prepared under Previous GAAP, wherever necessary. All accounting policies and applicable Ind AS have been applied consistently and retrospectively to all periods, including the previous financial year presented and the Ind AS opening balance sheet as at 1st April, 2016 (Transition Date). The resulting difference between the carrying amounts under Ind AS and Previous GAAP as on

the Transition Date has been recognised directly in Retained Earnings. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note. no. 40.

Accounting policies have been consistently applied 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. The financial statements are presented in INR and all values are rounded to the nearest INR Lakhs, except when otherwise indicated.

(iii) Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in respective note.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(iv) Classification of Assets and Liabilities as Current and Non Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or



there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

III. Significant Accounting Policies

(i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be complied with before revenue is recognized.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been passed on to buyer. Revenue is measured at the fair value of the consideration received or receivable, including Excise Duty, wherever applicable, but net of returns, allowances, trade discounts and volume discounts and sales tax / VAT/GST etc.

Conversion Income

Conversion income is recognised when the goods processed by the Company and significant risks and rewards of ownership have been passed on to the principal. Revenue is measured at the fair value of the consideration received or receivable, but net of returns and sales tax / VAT/GST etc.

Interest Income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the same.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at the lower of cost and net realizable value except scrap/waste which are value at net realizable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location

and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(iii) Cash & Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(iv) Property, Plant and Equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition.

Property, Plant and Equipment acquired after the transition date are stated at cost net of tax/duty credit availed. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Capital Work In Progress includes cost of PPE under installation/under development as at balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advance under other non-current assets.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.



Depreciation

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 or re-assessed by the Company on technically assessed, as given below.

General Plant and Machinery 15 - 18 Years (Continuous Process Plant).

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

(v) Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

(vi) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are

charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(vii) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

(viii) Financial instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.



Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

(a) Financial Assets at Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(b) Financial Assets at Fair value through Other Comprehensive Income

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

(c) Financial Assets at fair value through profit and loss (FVTPL)

Any Financial Assets and debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes

in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset, When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.



Impairment of financial assets

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

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

b) Financial Liabilities measured at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(ix) Foreign currency transactions and translation

Transactions in foreign currencies are recorded by the Company at their respective functional currency considering exchange rates prevailing on the date of transactions qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss except exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign



currency are translated using the exchange rates at the date when the fair value is determined.

(x) Employee Benefit

(a) Short term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans:

The Company has Provident Fund as defined contribution plan. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(c) Defined benefit plans:

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

(d) Other Long-term employee Benefits:

The company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

(xi) Earnings per Share (EPS)

Basic Earnings per equity shares are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effect of all diluted potential equity shares.

(xii) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

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. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets



and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets 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 when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax

Credit of Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

(xiv) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Business activity of the company falls within one business segment viz "Dairy Products".

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly



transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow-based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

c. Derivatives

The Company uses derivative financial instruments,

such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss.

(xvii) Significant accounting Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;



- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of fixed assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows
- In determining the fair value of the mine restoration obligation the Company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on expected rate of return.

(xviii) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(xix) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

(xx) Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Company from April 01, 2018.

Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income,

when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.



Notes to the financial statements 2. Property, Plant and Equipment

(Rs. in Lakhs, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	For the Year	Deletions	As at 1 April 2016	As at 31 March 2017
Tangible Assets								
Freehold land	1,640.18	-	-	1,640.18	-	-	1,640.18	1,640.18
Building	1,303.51	270.07	-	1,573.58	61.50	-	1,303.51	1,512.08
Roads	10.33	10.93	-	21.26	2.30	-	10.33	18.96
Plant and equipment	2,113.24	1,869.42	2.77	3,979.89	247.15	0.43	2,113.24	3,733.17
Electrical Installation	48.32	80.54	-	128.86	9.14	-	48.32	119.72
Pipeline & Fittings	2.03	-	-	2.03	0.20	-	2.03	1.83
Furniture and fixtures	3.21	2.18	0.16	5.23	0.50	0.02	3.21	4.75
Vehicles	21.31	67.82	9.96	79.17	7.31	1.60	21.31	73.46
Office equipments and Computers	13.76	53.12	0.20	66.68	9.73	0.03	13.76	56.98
Total	5,155.89	2,354.08	13.09	7,496.88	337.83	2.08	5,155.89	7,161.13

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2017	Additions	Deletions	As at 31 March 2018	For the Year	Deletions	As at 31 March 2017	As at 31 March 2018
Tangible Assets								
Freehold land	1,640.18	-	-	1,640.18	-	-	1,640.18	1,640.18
Building	1,573.58	58.04	-	1,631.62	68.53	-	1,512.08	1,501.59
Roads	21.26	-	-	21.26	3.86	-	18.96	15.10
Plant and equipment	3,979.89	119.63	0.30	4,099.22	235.53	0.21	3,733.17	3,617.18
Electrical Installation	128.86	34.27	-	163.13	16.50	-	119.72	137.49
Pipeline & Fittings	2.03	-	-	2.03	0.20	-	1.83	1.63
Furniture and fixtures	5.23	17.75	-	22.98	1.35	-	4.75	21.15
Vehicles	79.17	14.30	-	93.47	10.34	-	73.45	77.42
Office equipments and Computers	66.68	20.32	-	87.00	16.69	-	56.98	60.61
Total	7,496.88	264.31	0.30	7,760.89	353.00	0.21	7,161.13	7,072.35

Notes

Property, Plant and Equipment given as security for borrowings (Refer Notes 13).
Also Refer Note 40.



Notes to the financial statements

3. Other Intangible Assets

(Rs. in Lakhs, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	For the Year	As at 1 April 2016	As at 31 March 2017
Intangible Assets								
Computer Software	0.20	22.77	-	22.97	-	1.64	0.20	21.33
Total	0.20	22.77	-	22.97	-	1.64	0.20	21.33

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2017	Additions	Deletions	As at 31 March 2018	As at 31 March 2017	For the Year	As at 31 March 2017	As at 31 March 2018
Intangible Assets								
Computer Software	22.97	10.24	-	33.21	1.64	5.95	21.33	25.62
Total	22.97	10.24	-	33.21	1.64	5.95	21.33	25.62



UMANG DAIRIES LIMITED

Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
4. Other Non-Current Financial Assets			
Unsecured, Considered Good			
Security Deposits	62.49	62.22	61.70
Fixed Deposit with interest accrued thereon (Pledged with sales tax department)	1.14	1.06	1.00
Total	63.63	63.28	62.70
5. Other Non Current Assets			
Unsecured, Considered Good			
Capital Advances	47.12	65.87	38.69
Others	1.57	1.63	1.69
Total	48.69	67.50	40.38
6. Inventories (Valued at Cost or Net Realizable Value, whichever is lower)			
Raw Materials	101.27	84.68	20.76
(including Goods in transit Rs. 58.65 Lakhs (31st March, 17: NIL, 01st April, 16: NIL)			
Work-in-Progress - Semi Processed Milk	93.45	86.11	100.99
Finished Goods	2,878.37	3,235.01	2,950.87
Stores and Spares	644.97	517.26	405.88
Total	3,718.06	3,923.06	3,478.50
7. Trade Receivables			
Unsecured			
Considered Good	1241.85	434.77	266.49
Considered Doubtful	3.97	3.97	3.97
	1245.82	438.74	270.46
Less:- Allowance for Credit Losses	(3.97)	(3.97)	(3.97)
Total	1241.85	434.77	266.49
8. Cash & Cash Equivalents			
Balance with bank in Current accounts	32.21	41.32	26.27
Cheques on hand	-	0.50	10.78
Cash on hand	7.48	3.07	2.60
Total	39.69	44.89	39.65
9. Other Bank Balances			
Unclaimed Dividend Accounts	34.62	34.82	25.36
Fixed deposits with maturity more than 3 months but less than 12 months	4.7	4.79	0.91
Total	39.32	39.61	26.27
10. Other Current Financial Assets			
Unsecured, Considered Good			
Interest Receivable	5.81	5.53	5.35
Others	5.46	12.00	5.16
Total	11.27	17.53	10.51



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
11. Other Current Assets			
Unsecured, Considered Good			
Advances recoverable	128.33	108.23	23.43
Prepaid expenses	26.34	21.63	20.10
Indirect Tax Recoverable	16.96	29.36	25.62
Conversion income accrued but not billed	26.21	-	-
Export Benefit Receivable	6.61	7.98	9.27
Others	0.06	0.06	0.06
Unsecured, Considered doubtful			
Others	3.49	3.49	3.49
Less: Provision for doubtful loans and advances	(3.49)	(3.49)	(3.49)
Total	204.51	167.26	78.48

12. Equity Share Capital

Authorised

3,00,00,000 (March 31, 2017: 3,00,00,000) Equity Shares of Rs. 5 each	1500.00	1500.00	1500.00
6,00,000 (March 31, 2017 : 6,00,000) Redeemable Preference shares of Rs. 100 each	600.00	600.00	600.00
Total	2100.00	2100.00	2100.00

Issued, Subscribed and Paid-up

2,20,03,200 (March 31, 2017: 2,20,03,200 and April 1, 2016: 2,20,03,200) Equity Shares of Rs. 5 each	1100.16	1100.16	1100.16
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Notes :

(a) Reconciliation of the number of shares outstanding

Shares outstanding at the beginning of the year	2,20,03,200	2,20,03,200	2,20,03,200
Shares Issued during the year	-	-	-
Shares bought back/redeemed during the year	-	-	-
Shares outstanding at the end of the year	2,20,03,200	2,20,03,200	2,20,03,200

(b) Rights and preferences attached to Equity Shares:

The Company has only one class of Equity Shares having face value of Rs. 5/- each and each shareholder is entitled to one vote per share. 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.

(c) Details of equity shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 01st April, 2016	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Bengal & Assam Company Ltd.	1,09,72,965	49.87%	1,09,72,965	49.87%	99,22,965	45.10%
Juggilal Kamplapat Udyog Ltd.	38,50,000	17.50%	38,50,000	17.50%	27,00,000	12.27%
Florence Investech Ltd.	11,94,965	5.43%	11,94,965	5.43%	11,94,965	5.43%
Accurate Finman Services Ltd.	3,97,804	1.81%	3,97,804	1.81%	25,97,804	11.81%



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
13. Non Current Borrowings			
Secured Loans			
Term Loans - Banks	1,071.60	1,060.32	1,380.63
Vehicle Loan	51.75	49.58	5.17
Total	1,123.35	1,109.90	1,385.80
Less : Current maturities of long term borrowings			
Term Loans - Banks	312.47	484.06	502.29
Vehicle Loan	13.63	10.29	1.29
Total	326.10	494.35	503.58
Total	797.25	615.55	882.22

Notes

(a) Term Loan of Rs NIL (31st March,17: Rs. 82.83 Lakhs, 01st April,16: Rs. 171.75 Lakhs) from Bank is Secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula, is repayable in quarterly instalments of Rs.22.75 Lakhs each commencing from April,2015.

(b) Term Loan of Rs 568.11 Lakhs (31st March,17: Rs. 854.54 Lakhs, 01st April,16: Rs. 1037.82 Lakhs) from Bank is Secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula, is repayable in equal quarterly instalments of Rs.71.88 Lakhs commencing from June,2016.

(c) Term Loan of Rs NIL (31st March,17: NIL, 01st April,16: Rs. 41.12 Lakhs) from Bank is Secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula.

(d) Term Loan of Rs 8.15 Lakhs (31st March,17: 122.95 Lakhs , 01st April,16: Rs. 129.94 Lakhs) from Bank is Secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula, is repayable in equal quarterly instalments of Rs. 29.15 Lakhs commencing from July,2016.

(e) Term Loan of Rs. 495.34 Lakhs (31st March,17: NIL, 01st April,16: Rs. NIL) from Bank is Secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula, is repayable in 16 quarterly instalments of Rs. 20.00 Lakhs and 8 quarterly instalments of Rs. 22.50 Lakhs commencing from December, 2018.

(f) Vehicle Loan of Rs. 51.75 Lakhs (31st March,17: 49.58 Lakhs, 01st April,16: Rs. 5.17 Lakhs) from NBFC is secured by way of hypothecation of vehicle purchased thereunder. Loan is repayable in different equal monthly instalments including interest, for different loan taken on different rates.

14. Other Financial Liabilities - Non Current

Trade and other deposits	11.00	198.00	135.00
Zero Coupon Redeemable Preference Shares (Refer Note 14.1)	-	134.19	122.09
Total	11.00	332.19	257.09

Note 14.1

Pursuant to BIFR Order, 2,08,000 Preference Shares were redeemed on 20.10.2016 and balance 1,51,000 Preference Shares are redeemable on 30.06.2018. Each shareholder of preference shares is entitled to have a right to vote only on resolutions placed before the company which directly affect the rights attached to his/her preference shares and in proportion as paid up preference share capital bears to the total paid up capital. On liquidation the preference shares have preferential right to receive the preference share capital, but not in the distribution of surplus.

15. Long Term Provisions

Provision for Employee Benefits	180.94	155.26	123.99
Total	180.94	155.26	123.99



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
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16. Deferred Tax Liabilities

Deferred Tax Liability

(i) Related to Fixed Assets	662.63	670.75	469.23
(ii) Difference in fair value and cost of land	326.54	326.54	326.54
(iii) Financial assets	2.54	4.13	5.95

Deferred Tax Assets

(i) Expenses / Provision Allowable	(81.39)	(188.50)	(68.27)
(ii) MAT Credit Entitlement	(177.27)	(51.96)	-

Net Deferred Tax Liabilities	733.04	760.96	733.45
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Reconciliation of effective tax rate	FY 2017-18	FY 2016-17
Profit before tax	610.44	248.93
Enacted tax rates for company under Income Tax	33.06%	33.06%
Income Tax Payable	201.83	82.30
Other Non deductible expenses	7.97	1.63
Reversal of Deferred tax due to Lower Income tax rate in future	(131.35)	-
Current Income tax related to earlier years	9.74	-
Others	(4.81)	-
Reported Income Tax Expenses	83.38	83.94
Effective Tax Rate	13.66%	33.72%

17. Other Non Current Liabilities

Security Deposits	974.01	5.77	15.39
Others	-	2.42	12.11
Total	974.01	8.19	27.50

18. Current Borrowings

Secured Loans			
Working Capital Borrowing from Bank	3,348.25	1,771.64	811.29
Total	3,348.25	1,771.64	811.29

(i) Working Capital Borrowing of Rs. 2498.25 Lakhs (31st March, 17 : Rs. 1071.64 Lakhs , 01st April, 16 : Rs. 811.29 Lakhs) from Bank is secured by first pari passu charge over the entire moveable properties of the Company both present and future and the equitable mortgage over the immovable properties in the name of the Company situated at Gajraula.

(ii) Working Capital demand Loan of Rs. 150.00 Lakhs (31st March, 17 : Rs. NIL, 01st April, 16 : Rs. NIL) from Bank is secured by first pari passu charge over current assets both presented future and second pari passu charge over moveable fixed assets of the Company both present and future and second pari passu charge on the equitable mortgage over the immovable properties in the name of the Company situated at Gajraula.

(iii) Working Capital demand Loan of Rs. 700.00 Lakhs (31st March, 17 : Rs. 700.00 Lakhs , 01st April, 16 : Rs. NIL) from a Bank is secured by subservient charge on all the current assets & moveable fixed assets of the Company both present and future.

19. Trade Payable

For Goods and Services #	618.03	1,404.56	441.81
Total	618.03	1,404.56	441.81

There were no outstanding due to Micro, Small & Medium Enterprises to the extent information available with the Company and payments in respect of such suppliers are made within the appointed day.



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
20. Other Financial Liabilities - Current			
Current maturities of long term borrowings	326.10	494.35	503.58
Zero Coupon Redeemable Preference Shares (Refer Note 14.1)	147.60	-	197.48
Dues to a body corporate @	40.00	40.00	40.00
Interest accrued	7.75	14.69	11.00
Unclaimed dividends #	34.62	34.82	25.36
Employee Emoluments	122.73	111.98	101.89
Security Deposits	73.49	69.03	98.07
Capital Creditors	40.77	101.19	237.18
Other Payables	308.28	310.93	215.91
Total	1,101.34	1,176.99	1,430.47

Investor Education & Protection fund will be credited as and when due

@ Loan of Rs. 40 Lakhs (31st March, 17 : Rs. 40 Lakhs, 01st April, 16 : Rs. 40 Lakhs) from a body corporate is secured by a first pari passu charge over the entire moveable properties of the Company was due in earlier years but not demanded by lender. Liability of above have been recognized to the extent and in terms of BIFR order.

21. Other Current Liabilities

Government and Other Statutory Dues	73.71	55.52	38.54
Advance from Customers	182.40	339.57	498.46
Security Deposits	-	963.92	963.92
Others	2.42	9.69	17.56
Total	258.53	1,368.70	1,518.48

22. Short Term Provisions

Provision for Employee Benefits	5.98	34.55	23.76
Total	5.98	34.55	23.76

	FY 2017-18	FY 2016-17
23. Revenue from operations		
Sale of Products	20,700.19	18,198.28
Other operating revenues:		
Conversion Charges	3,788.40	2,688.16
Export Incentive	0.04	3.37
Scrap Sale	39.91	46.57
Total	24,528.54	20,936.38

24. Other Income

Dividend on Current Investments	-	1.18
Interest Income	19.74	22.84
Profit on Sale of Property, Plant and Equipments	0.13	28.49
Net Gain on foreign currency translations and transactions	-	1.71
Provision no longer required written back	5.33	15.18
Others	22.27	69.96
Total	47.47	139.36



Notes to the financial statements

Particulars	FY 2017-18	FY 2016-17
25. Change in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock		
Finished Goods	3,235.01	2,950.87
Work-in-Progress	86.11	100.99
	3,321.12	3,051.86
Closing Stock		
Finished Goods	2,878.37	3,235.01
Work-in-Progress	93.45	86.11
	2,971.82	3,321.12
(Increase) / Decrease in Stocks	349.30	(269.26)
Less : Excise Duty on variation of stock	(0.14)	(0.38)
Net (Increase) / Decrease in Stocks	349.16	(269.64)
26. Employee Benefit Expenses		
Salaries, Wages and Bonus	2,051.79	1,380.41
Contribution to Provident and other Funds	79.84	103.74
Staff Welfare Expenses	49.30	23.32
Total	2,180.93	1,507.47
27. Finance Costs		
Interest	355.54	132.25
Other Borrowing Costs	18.20	12.00
Total	373.74	144.25
28. Other Expenses		
Consumption of Stores and spares	420.98	397.39
Power and Fuel	2,141.62	1,670.25
Rent	54.11	39.29
Repairs to Buildings	35.51	8.49
Repairs to Machinery	81.79	81.24
Insurance	32.86	32.25
Rates & Taxes	15.13	30.90
Freight and Transportation	453.16	380.18
Advertisement and sales promotion	240.55	213.11
Loss on Sale of Current Investments (Net)	-	2.24
Corporate Social Responsibility	19.03	22.49
Directors' Fee	11.92	11.73
Miscellaneous @	846.94	804.16
Total	4,353.60	3,693.72



Notes to the financial statements

Particulars	FY 2017-18	FY 2016-17
@ Includes amount paid to auditors		
i) Statutory Auditors:		
a. As Auditor	2.70	2.70
b. Tax Audit Fee	0.40	0.40
c. Certifications fee	0.68	1.00
d. Certifications fee to previous auditor	0.53	-
e. Reimbursement of Expenses	0.08	0.09
Total	4.39	4.19
ii) Cost Auditors:		
a. Audit Fees	0.35	0.35
Total	0.35	0.35
29. Current Tax		
Current Tax for the year	125.30	54.61
Tax adjustments for earlier years	(9.74)	-
Total	115.56	54.61
30. Earning per share (EPS)		
Total Profit for the year	527.06	164.99
Weighted average number of equity shares of Rs. 5/- each	2,20,03,200	2,20,03,200
Basic and diluted (Per Share in Rs.)	2.40	0.75

Note No. 31

CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(Rs. in Lakhs)

Contingent Liabilities:

Claim against the company not acknowledged as debts.

	As at 31st March, 2018	As at 31st March, 2017
Sales tax/ Mandi Fee (U.P.)/Milk cess (U.P.) liability in respect of matter in appeals *	359.24	364.98
Income tax liability that may arise in respect of matters in appeal referred by the department *	1,290.90	1,290.90
Other matters	92.58	-

* Interest impact on above, if any, will be considered as and when arise.

In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

Commitments:

Contracts remaining to be executed on capital account (Net of Advances)	19.35	85.10
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Notes to the financial statements

The Company has procured certain capital goods under EPCG scheme at a concessional rate of duty. As on 31st March, 2018, the Company is contingently liable to pay differential custom duty Rs. 12.93 Lakhs (31st March 2017 Rs. 12.93 Lakhs) on such procurement. In view of past export performance & future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow on this account.

Note No. 32

EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES DURING THE YEAR

Research and Development expenditure amounting to Rs. 0.94 Lakhs (previous year Rs.2.67 Lakhs) has been charged to the Statement of Profit and Loss.

Note No. 33

Information about Business Segment (for the year 2017-18)

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Dairy Products" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

Note No. 34

The Board of directors has recommended dividend of Rs. 0.25 per equity share aggregating to Rs. 66.32 Lakhs including corporate dividend tax of Rs. 11.31 Lakhs for the financial year ended March 31, 2018 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

Note No. 35

The Management has carried out review of the remaining useful lives of its Fixed assets and its value in use. As the recoverable amount as per projections exceeds the carrying amount, no impairment has been provided for in these accounts.

36 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	FY 2017-18	FY 2016-17
Contribution to Govt. Provident Fund	63.63	45.00

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.



Notes to the financial statements

- A Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Net defined benefit (liability) / asset	(105.19)	(112.21)	(87.86)
Liability for Gratuity			
Non-current	(2.02)	(18.97)	(10.72)
Current	(103.17)	(93.24)	(77.14)

B Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	31-Mar-18			31-Mar-17		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	112.21	-	112.21	87.86	-	87.86
Included in profit or loss						
Current service cost	20.32	-	20.32	18.19	-	18.19
Interest cost (income)	8.83	-	8.83	7.03	-	7.03
	141.36	-	141.36	113.08	-	113.08
Included in OCI						
Premeasurements loss (gain)	-	-	-	-	-	-
– Actuarial loss (gain) arising from:	-	-	-	-	-	-
-demographic assumptions	-	-	-	-	-	-
-financial assumptions	(4.25)	-	(4.25)	3.89	-	3.89
-experience adjustment	(8.68)	-	(8.68)	9.66	-	9.66
-on plan assets	-	-	-	-	-	-
	(12.94)	-	(12.94)	13.54	-	13.54
Other						
Contributions paid by the employer						
Benefits paid	23.24	-	23.24	14.41	-	14.41
Acquisition adjustment	23.24	-	23.24	14.41	-	14.41
Balance as at 31 March	105.19	-	105.19	112.21	-	112.21

C Plan assets

The Company has no plan assets.



Notes to the financial statements

D Actuarial assumptions

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

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Discount rate	7.87	7.54	8.00
Expected rate of future salary increase	7.00	7.00	7.00
Mortality	100% of IALM (2006 - 08)		

Assumptions regarding future mortality have been based on published statistics and mortality tables. The company expects to pay Rs. 2.18 (Previous year Rs. 19.30) in contribution to its defined benefit plans in the next year.

E 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.

Particulars	As at 31.03.2018		As at 31.03.2017	
	100 bp	100 bp	100 bp	100 bp
	Increase	Decrease	Increase	Decrease
Discount rate	(11.49)	13.88	(9.58)	14.55
Expected rate of future salary increase	13.69	(11.39)	14.49	(9.73)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

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.

F Description of Risk Exposures:

Defined benefit plans expose the Company to actuarial risks such as: Interest rate risk, Salary risk and Demographic Risk.

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits obligation will tend to increase.
- Salary risk:** Higher than expected increase in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

37 Related Party Transactions (to the extent identified by the Company)

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:



UMANG DAIRIES LIMITED

Notes to the financial statements

Related parties and their relationships

1) Key Managerial Personnel (KMP) :

Sr. No.	Name	Designation
1	Shri C.Venugopal	Chief Executive Officer
2	Shri N.C. Baheti ^ (Till 10.05.2017)	Manager
3	Shri Gaurav Jain^ (Till 27.03.2017)	Chief Financial Officer
4	Shri Diwan Singh^ (w.e.f.-28.03.2017)	Chief Financial Officer
5	Shri Pankaj Kamra^	Company Secretary
6	Ram Chandra Periwal	Independent & Non-Executive Director
7	Sharda Devi Singhania	Non-Executive Director
8	Ratan Chand Jain	Independent & Non-Executive Director
9	Desh Bandhu Doda	Non-Executive Director

^ As per the Companies Act, 2013

Sl. No.	Name of the entity in the Group	% Share holding/Voting Power	
		As at March 31,2018	As at March 31,2017
A)	Associate of:		
1	Bengal & Assam Company Limited (BACL)	49.87%	49.87%
B)	Other Entities		
1	Pushpawati Singhania Research Institute (PSRI)	-	-

(Rs. in Lakhs)

Sl. No.	Nature of Transaction	2017-18		2016-17	
		Others	Key Management Personnels	Others	Key Management Personnels
1	Medical Expenses paid to PSRI	0.82	-	0.41	-
2	Remuneration to KMP	-	144.29	-	139.91

Key Management Personnel (KMP):

Sl. No.	Nature of Transaction	2017-18	2016-17
(i)	Short-term employee benefits #	144.29	139.91
(ii)	Director Sitting Fee to non-executive directors	11.92	11.35

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

38 FINANCIAL INSTRUMENTS

Financial Assets

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Carrying	Fair	Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value	Amount	Value
1	Financial assets designated at amortised cost						
	a) Trade receivables	1,241.85	1,241.85	434.77	434.77	266.49	266.49
	b) Cash and bank balances	79.01	79.01	84.50	84.50	65.92	65.92
	c) Other financial assets	74.90	74.90	80.81	80.81	73.21	73.21
	Total	1,395.76	1,395.76	600.08	600.08	405.62	269.32



Notes to the financial statements

Financial Liabilities

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Carrying	Fair	Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value	Amount	Value
1	Financial assets designated at amortised cost						
	a) Borrowings	4,145.50	4,145.50	2,387.19	2,387.19	1,693.51	1,693.51
	b) Trade payables	618.03	618.03	1,404.56	1,404.56	441.81	441.81
	c) Other financial liability	1,112.34	1,112.34	1,509.18	1,509.18	1,687.56	1,687.56
		5,875.87	5,875.87	5,300.93	5,300.93	3,822.88	3,822.88

The following methods and assumptions were used to estimate the fair values.

- Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.
- Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities are at their carrying amounts due to the short-term nature of these instruments.
- The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

There are no transfers between level 1 and level 2 during the year.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- Credit risk;
- Liquidity risk;
- Market risk
- Currency risk
- Interest rate risk
- Commodity price risk and
- Capital Risk Management

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 the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

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



Notes to the financial statements

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

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 and country in which customers operate. The Company Management has established a procedure under which each new customer is analyzed individually for creditworthiness. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Chief Executive Officer of the Company.

Most of the Company's customers have been transacting with the Company for over four years, and no significant impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of loss allowances of trade receivables is 1241.85 Lakhs (31 March 2017 – Rs 434.77 Lakhs, 1 April 2016 – Rs 266.49 Lakhs).

Ageing of trade receivables are as under:- (Rs. in Lakhs)

Particulars	As at 31.03.2018				As at 31.03.2017			
	Less than 6 months	6-12 months	More than 12 months	Total	Less than 6 months	6-12 months	More than 12 months	Total
Unsecured	1,241.62	0.23	3.97	1,245.82	413.30	21.47	3.97	438.74
Provision for Doubtful Receivables	-	-	(3.97)	(3.97)	-	-	(3.97)	(3.97)
Net Balance	1,241.62	0.23	-	1,241.85	413.30	21.47	-	434.77

During the period, the Company has made no write-offs of trade receivables. It does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Opening balance	3.97	3.97	3.97
Changes in loss allowance	-	-	-
Closing balance	3.97	3.97	3.97

iii. Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.



Notes to the financial statements

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.
(Rs. in Lakhs)

Particulars	Carrying Amount	Less than 1 year	1-5 Years	More than 5 year	Total
As at March 31, 2018					
Borrowings –Current	3,348.25	3,348.25	-	-	3,348.25
Borrowings -Non Current	797.25	-	639.75	157.50	797.25
Trade Payables	618.03	618.03	-	-	618.03
Other financial liabilities- Current	1,093.59	1,093.59	-	-	1,093.59
Other financial liabilities- Non Current	11.00	-	11.00	-	11.00
Interest accrued but not due on loans	7.75	7.75	-	-	7.75
Total	5,875.87	5,067.62	650.75	157.50	5,875.87
As at March 31, 2017					
Borrowings –Current	1,771.64	1,771.64	-	-	1,771.64
Borrowings -Non Current	615.55	-	615.55	-	615.55
Trade Payables	1,404.56	1,404.56	-	-	1,404.56
Other financial liabilities- Current	1,162.30	1,162.30	-	-	1,162.30
Other financial liabilities- Non Current	332.19	-	332.19	-	332.19
Interest accrued but not due on loans	14.69	14.69	-	-	14.69
Total	5,300.93	4,353.19	947.74	-	5,300.93
As at April 01, 2016					
Borrowings -Current	811.29	811.29	-	-	811.29
Borrowings -Non Current	882.22	-	882.22	-	882.22
Trade Payables	441.81	441.81	-	-	441.81
Other financial liabilities- Current	1,419.47	1,419.47	-	-	1,419.47
Other financial liabilities- Non Current	257.09	-	257.09	-	257.09
Interest accrued but not due on loans	11.00	11.00	-	-	11.00
Total	3,822.88	2,683.57	1,139.31	-	3,822.88

iv. Market risk

Market risk is the risk that changes in market prices – such as interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses various debt instruments to manage market risks on account of interest rates. All such transactions are carried out as per guidelines of the Management.

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD for exports and small exposure in EUR for import of machinery/spares. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also take help from external consultants who for views on the currency rates in volatile foreign exchange markets.

Since Company received/ paid advance against exports/imports as a result Currency risks related to the principal amounts of the Company's foreign currency receivables/payables does not arise.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.



Notes to the financial statements

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported by the management of the Company is as follows:

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	INR	INR	INR
Financial assets/Liabilities			
Trade receivables	0.05	0.00	0.98
Trade payables	1.04	0.00	0.00

The following significant exchange rates have been applied

Particulars	Year end spot rate		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
USD 1	65.04	64.84	66.33

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD at 31 March would have affected the measurement of financial instruments denominated in a foreign currency 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.

Particulars	As at 31.03.2018		As at 31.03.2017	
	5%	5%	5%	5%
	Increase	Decrease	Increase	Decrease
USD Sensitivity	(0.05)	0.05	-	-

vi. Interest rate risk

The Company's main interest rate risk arises from long-term and short term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were denominated in Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

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

Particulars	Nominal Amount		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Fixed-rate instruments			
Financial liabilities	38.13	39.29	3.88
Variable-rate instruments			
Financial liabilities	4,107.37	2,347.90	1,689.63

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 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, in particular foreign currency exchange rates, remain constant.



Notes to the financial statements

Particulars	Profit or loss		Equity, net of tax	
	50 bp	50 bp	50 bp	50 bp
	Increase	Decrease	Increase	Decrease
31-Mar-18				
Variable-rate instruments	(20.54)	20.54	(13.63)	13.63
Cash flow sensitivity	(20.54)	20.54	(13.63)	13.63
31-Mar-17				
Variable-rate instruments	(11.74)	11.74	(7.68)	7.68
Cash flow sensitivity	(11.74)	11.74	(7.68)	7.68

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. A change of 50 basis points in interest rates would have increased or decreased equity by Rs. 0.13 lakhs after tax (Previous year Rs. 0.13 lakhs). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

vii. Commodity price risks

The Company is exposed to the movement in price of key raw materials in domestic markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of major procurement and high production of semi finished products in seasons when the prices are perceived to be low as strategic sourcing initiative in order to keep raw material and prices under check to the extent possible.

viii. Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

Particulars	As at	As at	As at
	31-03-2018	31-03-2017	01-04-2016
Borrowings	4,145.50	2,387.19	1,693.51
Less: cash and cash equivalents including bank balance	79.01	84.50	65.92
Less: Current Investments	-	-	-
Net debt	4,066.49	2,302.69	1,627.59
Equity	5,292.97	4,757.25	4,866.14
Capital and Net debt	9,359.47	7,059.93	6,493.73
Gearing Ratio	43%	33%	25%

40 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2018, have been prepared in accordance with Ind AS, for the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standards, with 1st April, 2016 as the transition date and IGAAP as the previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2018, together with the comparative period data as at and for the year ended 31 March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2016, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2016 and the financial statements as at and for the year ended 31 March, 2017.



UMANG DAIRIES LIMITED

Notes to the financial statements

I. Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

(Rs. in Lakhs)

S. No.	Particulars	Note No.	As at March 31, 2017			As at April 1, 2016		
			IGAAP*	Adjustments	IND AS	IGAAP*	Adjustments	IND AS
I	ASSETS							
1	Non-Current Assets							
a	Property, Plant and Equipment	A	5,392.71	1,768.42	7,161.13	3,378.16	1,777.73	5,155.89
b	Capital work-in-progress		46.75	-	46.75	1,735.27	-	1,727.54
c	Other Intangible assets	A	21.80	(0.47)	21.33	0.46	(0.26)	0.20
d	Intangible Assets under development							7.73
e	Financial Assets							
	Other financial assets	B	65.04	(1.76)	63.28	64.49	(1.79)	62.70
f	Other non-current assets	B	65.87	1.63	67.50	38.69	1.69	40.38
			5,592.17	1,767.82	7,359.99	5,217.07	1,777.38	6,994.44
2	Current Assets							
a	Inventories		3,923.06	-	3,923.06	3,478.50	-	3,478.50
b	Financial Assets							
	Trade receivables		434.77	-	434.77	266.49	-	266.49
	Cash and cash equivalents		44.89	-	44.89	39.65	-	39.65
	Bank balances other than above		39.61	-	39.61	26.27	-	26.27
	Other financial assets		17.53	-	17.53	10.51	-	10.51
c	Current Tax Assets (Net)		398.73	-	398.73	221.86	-	221.86
d	Other current assets	B	167.20	0.06	167.26	78.42	0.06	78.48
			5,025.79	0.06	5,025.85	4,121.70	0.06	4,121.76
	Total Assets		10,617.96	1,767.88	12,385.84	9,338.77	1,777.44	11,116.20
II	EQUITY AND LIABILITIES							
1	Equity							
	Equity Share Capital		1,251.16	(151.00)	1,100.16	1,459.16	(359.00)	1,100.16
	Other Equity		2,256.82	1,400.27	3,657.09	2,088.27	1,677.71	3,765.98
			3,507.98	1,249.27	4,757.25	3,547.43	1,318.71	4,866.14
2	LIABILITIES							
1	Non-Current Liabilities							
a	Financial Liabilities							
	Borrowings	B	623.23	(7.68)	615.55	894.70	(12.48)	882.22
	Other financial liabilities		198.00	134.19	332.19	135.00	122.09	257.09
b	Provisions		155.26	-	155.26	123.99	-	123.99
c	Deferred tax liabilities (Net)	D	376.20	384.76	760.96	341.05	392.40	733.45
d	Other non-current liabilities		5.76	2.43	8.19	15.40	12.10	27.50
			1,358.45	513.70	1,872.15	1,510.14	514.11	2,024.25
3	Current Liabilities							
a	Financial Liabilities							
	Borrowings		1,771.64	-	1,771.64	811.29	-	811.29
	Trade payables		1,404.56	-	1,404.56	441.81	-	441.81
	Other financial liabilities	B	1,181.76	(4.77)	1,176.99	1,238.60	191.87	1,430.47
b	Other current liabilities		1,359.02	9.68	1,368.70	1,500.92	17.56	1,518.48
c	Provisions	C	34.55	-	34.55	288.58	(264.82)	23.76
			5,751.53	4.91	5,756.44	4,281.20	(55.39)	4,225.81
	Total Equity and Liabilities		10,617.96	1,767.88	12,385.84	9,338.77	1,777.43	11,116.20

* The IGAAP figures have been reclassified to confirm to Ind-AS presentation requirements for the purposes of this



Notes to the financial statements

note.

II. Reconciliation Statement of Profit & Loss as previously reported under IGAAP to Ind AS for the year ended March 31, 2017

(Rs. in Lakhs)

S.No.	Particulars	Note No.	IGAAP	Adjustments	IND AS
I	Revenue From Operations	E	20,935.05	1.33	20,936.38
II	Other Income	B, H	107.49	31.87	139.36
III	Total Revenue (I+II)		21,042.54	33.20	21,075.74
IV	EXPENSES				
	Cost of materials consumed		15,410.21	-	15,410.21
	Purchases of Stock-in-Trade				
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		(269.64)	-	(269.64)
	Excise Duty on sale of goods	E		1.33	1.33
	Employee benefits expense	F	1,521.01	(13.54)	1,507.47
	Finance costs	B	116.02	28.23	144.25
	Depreciation and amortization expense	G	315.62	23.85	339.47
	Other expenses	B	3,693.66	0.06	3,693.72
	Total expenses		20,786.88	39.93	20,826.81
V	Profit/(loss) before tax (V-VI)		255.66	(6.73)	248.93
VI	Tax expense				
	Current Tax (MAT)		51.96	2.65	54.61
	Less : MAT Credit Entitlement		(51.96)	(2.65)	(54.61)
	Deferred tax	D	87.11	(3.17)	83.94
VII	Profit/(loss) for the period		168.55	(3.56)	164.99
VIII	Other Comprehensive Income				
	Items that will not be reclassified to Profit and Loss				
	(i) Re-measurement Gain/(Loss) on Defined Benefit Plans	F	-	(13.54)	(13.54)
	(ii) Tax on above	D	-	4.48	4.48
IX	Total Comprehensive Income(IX+X)		168.55	(12.62)	155.93



Notes to the financial statements

III. Equity Reconciliation

(Rs. in Lakhs)

Particulars	31st March 2017	1st April 2016
Total Equity (Shareholder's fund) as Per Previous GAAP	3,507.98	3,547.43
Adjustments		
Reclassification of Zero Coupon Redeemable Preference Shares as debt	(151.00)	(359.00)
Impact of Financial assets at Amortised Cost	(0.04)	(0.04)
Impact of Fair Valuation of PPE and Intangible assets	1,767.93	1,777.47
Impact of Interest Income/ Other Income	17.57	9.86
Impact of effective Interest rate adjustment on Redeemable Preference shares	(22.71)	-
Impact of Other Expenses	(0.06)	-
Impact of effective Interest rate adjustment on borrowings	12.48	18.00
Financial liabilities (RPSC) at Amortised Cost	9.86	-
Proposed Dividend including Corporate Dividend Tax	-	264.82
Deferred Tax adjustment on above adjustments	(384.76)	(392.40)
Total Adjustments	1,249.27	1,318.71
Equity Attributable to Owners of the Company	4,757.25	4,866.14

- IV. There is no significant reconciliation items between cash flow prepared under Previous GAAP and prepared under Ind AS.

Disclosures as required by Indian accounting standard (Ind AS) 101 first time adoption of Indian Accounting Standards

Exemption and exceptions availed

Below mentioned are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(A) Ind AS Optional Exemptions:

Ind AS 101 allow first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

- The company has elected to measure an item of Property plant and Equipments and intangible assets at the date of transition to Ind AS as at its fair value and use that fair value as deemed cost at that date.
- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the company has done the assessment of lease in contracts based on conditions prevailing as at the date of transition.

(B) Ind AS mandatory Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

i) Estimates

The estimates at 1st April, 2016 and 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the items where



application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March, 2017.

ii) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transitions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Notes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and total comprehensive income for the year ended 31st March, 2017.

A Fair Value as deemed cost – Property Plant and Equipment (PPE)

The Company has opted the option of fair value as deemed cost for the Property Plant and Equipment as on the date of transition to Ind AS. This has resulted in increase of Rs. 1777.47 lakhs in the value of the Property Plant and Equipment with corresponding increase in retained earnings of Rs. 1777.47 lakhs and deferred tax liability of Rs. 383.77 lakhs. Further, the company has also recognised the revision in useful life as on date of transition to Ind AS to retained earnings and deferred tax liability.

Fair Value as deemed cost as on transition date for respective category of PPE is as under:

Category	Carrying value under Indian GAAP	Fair value adjustments	Carrying value under Ind AS
Land- Freehold	35.83	1,604.35	1,640.18
Buildings	1,221.71	81.80	1,303.51
Roads	5.47	4.86	10.33
Plant & Equipment	1,978.75	134.49	2,113.24
Electric Installation & Equipments	45.24	3.08	48.32
Pipeline & Fittings	1.90	0.13	2.03
Furniture & Fittings	7.49	(4.28)	3.21
Motor Vehicles	49.70	(28.39)	21.31
Office Equipments and Computers	32.07	(18.31)	13.76
Computer Softwares	0.46	(0.26)	0.20
Total	3,378.62	1,777.47	5,156.09

B. Financial instruments

1. Financial assets and financial liabilities measured at amortized cost

Under the previous GAAP, security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS 109-Financial Instruments, security deposits are required to be valued at fair value and difference between cost and fair value is to be amortised over the period of security as rental expenses and consequently interest income is to be booked at Effective Interest method in Statement of Profit and Loss

2. Cost of borrowing

Borrowing designated and carried at amortised cost are accounted on EIR method. The upfront fee or cost of borrowing incurred is deferred and accounted on EIR basis. Borrowings are shown as net of unamortised amount of upfront fee incurred.

C. Proposed Dividend

Under Indian GAAP, proposed dividends are recognised as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS a proposed dividend is recognised as liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. Therefore the proposed dividend and dividend distribution tax for the F.Y. 2015-16 has been derecognised and recognised during 2016-17 on payment.



D. Deferred Tax

- i) Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP.
- ii) In addition, the various transitional adjustments lead to different temporary differences resulting in recognition of deferred tax. Such deferred tax asset has been recognized in retained earnings.
- iii) Deferred Tax liability recognised on fair valuation of PPE as on transition date has been reversed to the extent of assets sold during the year.

E. Excise Duty

Paragraph 8 of Ind AS 18, Revenue states that 'Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not having any economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue and shown separately

F. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

G. Depreciation on Property, Plant & Equipment

The Company has reversed depreciation charged on revaluation of PP&E as per previous GAAP and Depreciation on Property, Plant & Equipment has been calculated on the fair value for the F.Y. 2016-17 and depreciation as per Ind AS has been accounted.

H. Redeemable Preference shares

Redeemable Preference shares have been discounted using 10% rate of interest. Present value of redeemable Preference shares has been unwinded over the period of preference shares and interest expenses has been booked.

- 41 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
- 42 Notes 1 to 42 are annexed to and form an integral part of financial statements.

As per our Report of even date attached.

For and on behalf of the Board of Directors

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants
Firm's Reg No. 302049E

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

B. K. Sipani
Partner

M.No. 088926
New Delhi, the 3rd of May, 2018

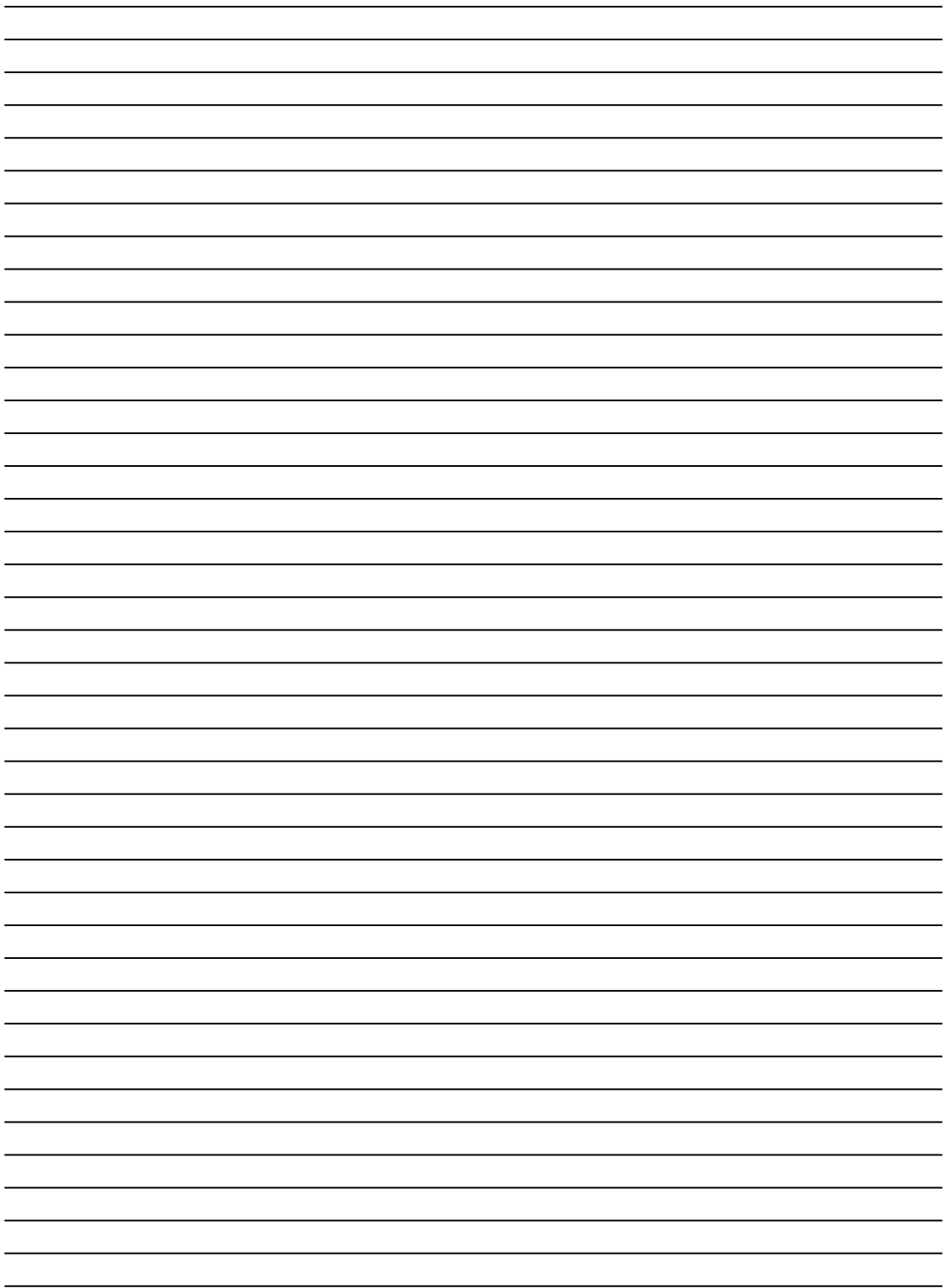
C. Venugopal
(Chief Executive Officer)

Pankaj Kamra
(Company Secretary)

Diwan Singh
(Chief Financial Officer)

NOTES

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Corporate Social Responsibility



Conference of 2000+ Self Help Group (SHG) Members on International Women's Day.

Awards from Mother Dairy



Milk Procurement



Milk Collection Hygiene and Quality Assurance Training at VLCs.



DRYING PLANT



LIQUID MILK PACKING PLANT



CURD PLANT



UMANG DAIRIES LIMITED
GULAB BHAWAN, 3RD FLOOR, 8A,
BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110002