

Annual Report 2015-16

The taste of
GOOD LIFE!



UMANG DAIRIES LIMITED



▼ Control Panel of Processing Plant



▼ Quality Control



◀ Processing Plant



▲ Liquid Milk Packing



BOARD OF DIRECTORS

Ram Chandra Periwal
Sharda Devi Singhania
Ratan Chand Jain
Desh Bandhu Doda

ADMINISTRATIVE OFFICE

Gulab Bhawan, 3rd Floor
6A, Bahadur Shah Zafar Marg
New Delhi - 110 002
Phone : (011) 30179100
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

Lodha & 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



UMANG DAIRIES LIMITED

DIRECTORS' REPORT AND MANAGEMENT DISCUSSIONS AND ANALYSIS

To the Members,

The Directors have pleasure in presenting the 23rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Rs. in Lac)

	2015-16	2014-15
Revenue from Operations	18,898	25,114
Profit before Finance Cost and Depreciation (PBITD)	1,516	1,661
Profit before Depreciation and Tax (PBDT)	1,454	1,561
Profit before Tax (PBT)	1,152	1,298
Profit after Tax (PAT)	750	851
Surplus brought forward	1,448	926
Total amount available for appropriation	2,198	1,777
APPROPRIATIONS:		
Capital Redemption Reserve	100	-
General Reserve	300	65
Dividend (Incl. Tax)	265	264
Surplus carried forward	1,533	1,448

DIVIDEND

The Directors are pleased to recommend a dividend of 20% on equity shares.

OPERATIONS

The Revenue from operations decreased to Rs 18,898 Lac during the year as compared to Rs 25,114 Lac in the previous year, even though production of products increased by 3% - from 10,289 MTs in 2014-15 to 10,588 MTs in 2015-16. Significantly lower international prices of milk and, as a consequence, of Skimmed Milk Powder made Indian exports of Skimmed Milk Powder unviable. This resulted in over supply of Skimmed Milk Powder in domestic market and un-remunerative prices. To counter the situation, Company took a conscious decision to cut sale of commodity products like Skimmed Milk Powder and Ghee and go for value added Job Work for other companies. This proved more remunerative and the Company could maintain production levels with marginal decline in Profitability. As a result operating profit (PBITD) stood at Rs.1516 lac compared to Rs.1661 lac in the previous year.

Company was able to retain its market share in Dairy Creamer segment with its brands WHITE MAGIK, DAIRY TOP & MILK STAR. Dairy Top continues to maintain its leadership in the mid segment of dairy creamers. Single serve sachets of 3 and 5 gms of White Magik have found greater acceptance by Hospitality, HORECA segment and Institutional buyers like Jet Airways, Indian Railways and Defence Services.

Test Marketing of Doodz Flavoured Milk in upcountry markets in the previous year got encouraging response. Company has widened its supply base to a number of States in East and North-East. Company maintained its leadership position in Pre-Mix for tea and coffee vending machines.

Company continued to invest in updating its Plant and R&D facilities. Progress on putting up a captive power generation Plant is on track. Commercial production is likely to take place in beginning of July 2016. This will significantly lower power and fuel costs, besides ensuring uninterrupted power supply to the Plant.

Company plans to increase production capacity of Drying Plant from present 4.5 lac litres per day to 5.5 lac litres per day. Increased capacity is likely to be available for commercial production from October/November 2016.



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 improved to 93.7% from 89.6% in 2014-15.

INDUSTRY SCENARIO

DAIRY INDUSTRY IN INDIA

India continues to be the top producer of milk globally. It is expected that India will continue with its leadership position - milk production in India is growing on a faster clip than global growth. Currently Indian share in global milk production is 18.5% which is expected to go up to 21% in 2020. In 2014-15 Indian milk production stood at 146.3 MMTs against 137.69 MMTs during 2013-14 – a growth of nearly 6%. Historically, milk production during last two decades has been growing at a rate of 3.5 to 4%. (Source: Economic Survey 2014-15 by Government of India, Ministry of Agriculture and Farmer Welfare)

All over the world, people fulfill approximately 13% of their protein requirement from milk and milk products. Since ancient times milk has been considered in India as an elixir for good health. Overall consumption of milk and milk products is projected to grow consistently – value added dairy products are currently growing at 15 to 16% and this trend is expected to continue. Commodity products are expected to grow 5 to 6%.

Contribution of dairy industry to India's agricultural GDP is highest amongst all agricultural products and stood at 22%. India has the largest bovine population in the world with a large capacity to process 98.3 million litres of milk per day. Figures show that out of every rupee spent by consumer on milk, farmer gets about 70/ 75 paise. This is significantly higher than what it is in countries like US, Europe and New Zealand where the share of milk producer is less than 40% of the consumer spend.

OPPORTUNITIES AND THREATS

Opportunities

- (i) With presence of large foreign dairies in India, demand of value added milk products has gone up. Growth in milk demand is currently reckoned at 6% YOY compared to earlier 4%. This pace seems to be sustainable.
- (ii) With some large corporates entering dairy segment, structure of dairy industry is moving from unorganized sector to organized sector. According to Rabo Bank Study, nearly Rs.15,000 crores is likely to be invested in India in next 5 years.
- (iii) Milk is a preferred source of protein in India. Younger generation looks for protein rich food. Milk and milk products are, therefore, likely to play a significant role to meet this demand.
- (iv) India is the largest producer of buffalo milk which is a preferred variety of milk for making certain type of cheese. It offers a good export opportunity for Indian cheese made of buffalo milk.
- (v) From every litre of milk processed nearly 40% is fat - butter and ghee. Recent studies in US & Europe show that contrary to common belief that ghee consumption adds to obesity and consequently cardio-vascular and neurological diseases, it is beneficial to health if taken in light quantity. Cholesterol is no more considered a risk factor for heart diseases. This is likely to spur consumption of butter and ghee in a significant manner.

Threats

- (i) With pressure on available land from food crops, urbanization and industrialization, there is hardly any scope of increasing cultivation of cattle feed.
- (ii) With increase in education level of young farmers, there is a tendency among the young folk to prefer white collar jobs over conventional dairy farming profession.
- (iii) Due to fragmented dairy farming in India, traceability is an issue with importers from USA and EU.
- (iv) Present embargo by Govt. of India on import of high milk yielding cows acts as a deterrent to improve productivity of milch cows.

GROWTH OUTLOOK

Both milk production as well as demand is growing at a healthy pace of about 6% YOY. Higher rate of growth is likely to be witnessed in value added products (about 15%). Commodity is expected to grow at about 5% YOY. Greater shift is likely to be



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seen in favour of Western Dairy Products and Packaged Milk. Packaged milk will progressively replace loose milk. A pre-requisite to building an attractive product portfolio is to have a strong supply backbone, based on direct procurement of milk from farmers.

EXPANSION AND MODERNIZATION PLANS

Company wishes to become a significant player in Dairy space.

Besides modernization of Plant and R&D facilities, Company is planning to expand production facility of Drying Plant from present 4.5 lac litres per day to 5.5 lac litres per day. Expanded capacity is likely to be operative by October/ November 2016.

Company is also planning to launch some new products. Work on this exercise is progressing satisfactorily and some of the products should hit the market in the first half of FY 2016-17.

RISKS & CONCERNS

- (i) Government - both Central and States – have increased their focus on ensuring safe food products, including milk products to the consumer. This is a step in right direction. However, due to impractical view taken by Food Inspectors as also lack of adequate testing equipments in Government Laboratories, lot of fear and confusion has been created in the minds of Industry as well as consumers. This has to be addressed by Government by taking pragmatic approach. FSSAI seems to be alive to the problem and have recently taken some steps which are likely to address the problem.
- (ii) Nearly 50% space is occupied by co-operative sector for whom profit making is not the objective. Opposite this, Private sector has to service capital employed.
- (iii) Due to fragmented nature of dairy farming in India, milk cannot be guaranteed to be free from anti-biotics and pesticides.

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 300 villages comprising of about 12000 farmers.

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 and need based training programmes are regularly organized for all level of employees. In order to encourage leadership and problem solving qualities among workmen, the Company has helped establish 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 2016 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 2016, 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, was appointed as Non Executive Director of the Company by the Members at the Annual General Meeting (AGM) of the Company held on 29th September 2015. She retires by rotation and being eligible offers herself for re-appointment at the ensuing AGM.

Shri R.L. Saha who was the Independent Director of the Company, passed away on 15th August, 2015. Shri R.L. Saha was highly knowledgeable and guided the Company in various matters and took keen interest in the development and progress of the Company. The Directors placed on record their profound grief on the passing of Shri R.L. Saha.

Shri Milan Wahi, ceased to be Chief Executive Officer of the Company, on the close of work on 7th August 2015. Consequent upon his resignation the Company has appointed Shri C. Venugopal, Chief Executive Officer of the Company w.e.f. 18th January, 2016.

Shri Gaurav Kumar Kanodia, ceased to be Company Secretary of the Company, on the close of work on 30th January, 2016. Consequent upon his resignation the Company has appointed Shri Pankaj Kamra, Company Secretary of the Company w.e.f. 11th February, 2016.

Shri R.C. Jain is proposed to be reappointed as Independent Director of the Company for a period of five years by the Members at the ensuing AGM of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has requisite Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

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 Lodha & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 21st AGM held on 22nd September 2014 until the conclusion of the 24th AGM to be held in year 2017, 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 2015-16. 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 2016 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.



M/s Sanjay Kumar Garg & Associates, Cost Accountants have been appointed as Cost Auditors of the Company to conduct cost audit of cost records for the financial year 2016-17 subject to ratification of their remuneration at the forthcoming AGM of the Company.

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

During the financial year under review, there were no 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.

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, as amended is annexed to this Report as Annexure-5. Further, during the year under review, there were no employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

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;
- (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;



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- (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 to ensure compliance with the provisions of all applicable laws have been devised 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 : 03rd August 2016

D.B. DODA
(Director)

R.C. Periwal
(Director)



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ANNEXURES TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

ANNEXURE-1

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2016

[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@jkm.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	31.02
2	Milk powder	10502	60.12

* 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					



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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 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% 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.	16442930	0	16442930	74.73	16415734	0	16415734	74.61	(0.12)
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):-	16442930	0	16442930	74.73	16415734	0	16415734	74.61	(0.12)
(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)	16442930	0	16442930	74.73	16415734	0	16415734	74.61	(0.12)
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	800	3300	4100	0.02	0
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	35000	0	35000	35000	0.16
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	35800	15300	51100	0.23	0.16
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	245049	32500	277549	1.26	185282	30300	215582	0.98	(0.28)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2509473	1406304	3915777	17.80	2654974	1371254	4026228	18.30	0.50
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1145804	0	1145804	5.21	1016904	0	1016904	4.62	(0.59)
c) Others (specify)									
(i) Non Resident Indians/OCB	150793	0	150793	0.69	80180	0	80180	0.36	(0.33)



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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Clearing Member	54247	0	54247	0.25	197472	0	197472	0.90	0.65
Sub-total (B)(2):-	4105366	1438804	5544170	25.20	4134812	1401554	5536366	25.16	(0.04)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4106166	1454104	5560270	25.27	4170612	1416854	5587466	25.39	0.12
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	20549096	1454104	22003200	100	20586346	1416854	22003200	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April 2015)			Shareholding at the end of the year (as on 31 st March 2016)			% 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.	99,22,965	45.10	-	99,22,965	45.10	-	-
	Total	99,22,965	45.10	-	99,22,965	45.10	-	

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

Sl. No.		Shareholding at the beginning of the year (as on 1 st April 2015)		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	99,22,965	45.10	99,22,965	45.10
	Date wise Increase / Decrease in Promoters Shareholding during the year	NO CHANGE			
	At the end of the year i.e., 31.03.2016			99,22,965	45.10

(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 (1 st April 2015)		Cumulative Shareholding at the end of the year (31 st March 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Juggilal Kamlatpat Udyog Limited~	2700000	12.27	2700000	12.27
2.	Accurate Finman Services Limited~	2625000	11.93	2597804	11.81
3.	Florence Investech Limited~	1194965	5.43	1194965	5.43
4.	Mukul Mahavir Prasad Agrawal~	350765	1.59	350765	1.59
5.	Rahul Dhruv~	172000	0.78	171928	0.78



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Sl. No.	Top Ten Shareholders*	Shareholding at the beginning of the year (1 st April 2015)		Cumulative Shareholding at the end of the year (31 st March 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Choice Equity Broking Private Limited@	-	-	101653	0.46
7.	Dolly Khanna^^	83920	0.38	-	-
8.	Rahul Khanna^^	75000	0.34	-	-
9.	Vijay Kumar Singh~	74100	0.34	74100	0.34
10.	Rajesh Kumar Rameshbhai Prajapati~	65500	0.30	65500	0.30
11.	Kamal Kumar Goyal@	-	-	58178	0.26
12.	Kamlesh N Shah@	-	-	55895	0.25
13.	Meghana Mehul Mehta^^	50961	0.23	-	-

* The shares of the company are traded on a daily basis and hence the datewise increase/decrease in shareholding is not indicated.

~ Common top ten Shareholders as on 1st April 2015 and 31st March 2016.

^^ Top ten Shareholders as on 1st April 2015.

@ Top ten Shareholders as on 31st March 2016.

(v) Shareholding of Directors and Key Managerial Personnel:

- Shri Ratan Chand Jain, Director

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1 st April 2015)		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. 31.03.2016			100	0.0

- Shri Desh Bandhu Doda, Director

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1 st April 2015)		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. 31.03.2016			50	0.0

NOTE: Smt. Sharda Devi Singhania, Shri Ram Chandra Periwal, Directors of the company and Shri Milan Wahi, Chief Executive Officer (ceased w.e.f. 7th August 2015) and Shri C. Venugopal (appointed w.e.f. 18th January 2016) and Shri Nemi Chand



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Baheti, Manager and Shri Gaurav Jain, Chief Financial Officer and Shri Gaurav Kumar Kanodia, Company Secretary (ceased w.e.f. 30th January 2016) and Shri Pankaj Kamra, Company Secretary (appointed w.e.f. 11th February 2016) of the company were not holding any shares in the company at the beginning of the year, i.e. as on 1st April 2015 and at the end of the year i.e., as on 31st March 2016 and hence there was no increase/decrease in their shareholding during the year 2015-16.

(V) INDEBTEDNESS

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

(Rs in lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1854.14	-	-	1854.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.93	-	-	5.93
Total (i+ii+iii)	1860.07	-	-	1860.07
Change in Indebtedness during the financial year				
• Addition	1052.68	-	-	1052.68
• Reduction	651.72	-	-	651.72
Net Change	400.96	-	-	400.96
Indebtedness at the end of the financial year				
i) Principal Amount	2255.10	-	-	2255.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.00	-	-	11.00
Total (i+ii+iii)	2266.10	-	-	2266.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(Rs. in lac)

A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:		
Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Shri Nemi Chand Baheti - Manager	
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.74	27.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.56	0.56
	(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	1.62	1.62
	Total (A)	29.92	29.92
	Ceiling as per Act	Rs. 58.70 Lac (being 5% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)	



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B.	Remuneration to other directors:				(Rs. in lac)
Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Shri Ratan Chand Jain	Shri Ram Chandra Periwal	Shri Radhey Lal Saha ^{\$}	
	● Fee for attending Board/ Committee Meetings	3.00	4.125	0.60	7.725
	● Commission	-	-	-	-
	Total (1)	3.00	4.125	0.60	7.725
2	Other Non-executive Directors	Smt.Sharda Devi Singhania	Shri Desh Bandhu Doda		
	● Fee for attending Board /Committee Meetings	0.90	3.395		4.295
	● Commission	-	-		-
	Total (2)	0.90	3.395		4.295
	Total(B)= (1+2)				12.02
	Total Managerial Remuneration (A+B)				41.94*
	Overall Ceiling as per the Act	Rs. 129.14 Lac (being 11% of the net profits 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. 12.02 lac.

\$ Shri R.L. Saha passed away on 15th August 2015.

(Rs. In lac)

C Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD							
Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		Shri Milan Wahi, Chief Executive Officer (upto 07.08.2015)	Shri C. Venugopal, Chief Executive Officer (appointed w.e.f. 18.01.2016)	Shri Gaurav Jain, Chief Financial Officer	Shri Gaurav Kumar Kanodia, Company Secretary (upto 30.01.2016)	Shri Pankaj Kamra, Company Secretary (appointed w.e.f. 11.02.2016)	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.97	14.15	15.00	5.09	0.92	57.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7.70	0.70	0.62	0.40	-	9.42
	(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	0.76	0.71	0.60	0.25	0.04	2.36
	Total	30.43	15.56	16.22	5.74	0.96	68.91

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2016.



CORPORATE SOCIAL RESPONSIBILITY REPORT

1. 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.

2. 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 Interests Groups, 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>

3. ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2016

The CSR at UDL is focussed 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:

- a) provide services for superior animal breeding & nutritional feeds that generate higher yields per animal and enhanced milk producing life cycle.
- b) enable formation of women DIG's 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.

UDL also sponsored an event- International Women's Day 2016- organized by another company. It distributed 100ml of Umang Ghee to more than 1100 women who participated in this event.

Specific Highlights in each of the activities are provided below:

Dairy Interest Groups

- 75 DIG's comprising 775 women were formed (this includes 15 in the previous year).
- Villages covered 20.
- 45 DIG's were linked to the banks.
- 20 DIG's were provided with first training on five important aspects of group formation viz., why DIG, monthly meeting, book keeping, bank & credit linkage, & role of DIG leaders.
- 15 DIG's were made eligible for revolving fund & their documents submitted.
- 4 DIG's comprising of more than 40 women exposed to milk processing through a factory visit.
- Meeting with DDM – NABARD for a partnership with UDL to expand and strengthen the DIG footprint in the villages that UDL is working in.

Adult Education

- 298 women were enrolled
- 247 successfully completed the course.



- One new center opened at village – Akhtyarpur.

Animal Welfare

- Vaccination camp organized with government hospital to prevent HS disease.

Healthcare & Sanitation

- 3 general health camps were organized.
- Awareness & advocacy meetings with women on sanitation & hygiene routinely undertaken.

Going forward plans to double the number of DIG's to 150 in FY 2016-17 in partnership with NABARD & NRLM have been firmed up.

4. 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

5. Average Net Profit of the Company for last three financial years: Rs. 674 Lac.

6. Prescribed CSR Expenditure (two percent of the amount as in item 5 above):

Rs. 13.48 Lac

7. Details of CSR spent during the financial year

- Total amount to be spent for financial year : Rs. 13.74 Lac
- Amount unspent, if any : Nil
- Manner in which the amount spent during the financial year is detailed below:

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 (Rs. in Lac)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Lac)	Cumulative expenditure upto the reporting period. (Rs. in Lac)	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 abled and livelihood enhancement projects;	Gajraula, Uttar Pradesh	9.94	9.94	9.94	Implementing Agency



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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 (Rs. in Lac)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Lac)	Cumulative expenditure upto the reporting period. (Rs. in Lac)	Amount spent: Direct or through implementing agency
2	International Women's Day	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Gajraula, Uttar Pradesh	1.74	1.74	1.74	Direct
3	Adult Literacy	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Gajraula, Uttar Pradesh	1.58	1.58	1.58	Direct
4	Miscellaneous Expenses	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Gajraula, Uttar Pradesh	0.22	0.48	0.48	Direct
Total				13.48	13.74	13.74	

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

Date : 12th May 2016

(D. B. Doda)
Director

(R. C. Periwal)
Chairman CSR Committee



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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, 2016** (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, 2016 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 Disclosures 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
 - UP Milk and Milk Products Order, 1977
 - Water (Prevention and Control of Pollution) Cess Act, 1977



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- 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 Exchanges.

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.

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, 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, the Company had the Listing of its Equity shares on National Stock Exchange w.e.f. 2 December, 2015

Place: New Delhi
Date : 11th May 2016

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

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

'Annexure A'

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

My report of even date on Secretarial audit for the financial year ended 31st March, 2016 is to be read along with this letter stating that -

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.



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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 : 11th May 2016

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 and forming part of Directors' Report to the members for the year ended 31st March 2016.

A) CONSERVATION OF ENERGY:

- (i) The steps taken or impact on conservation / alternate source of energy:-
 - (a) Variable Frequency Drive (VFD): VFD has been fitted with screw compressor (KC 6) to save electrical power. (Saved 154800 KWH annually).
 - (b) High Mast tower: High mast tower light installed in power plant (Savings 6950 KWH annually).
 - (c) Conveying system for Flavoured Milk: SS Slat and Belt conveying installed for Packing Material and Finished Goods Stock conveyer. (Savings 31764 KWH annually).
 - (d) Air curtain automation: Air curtain automation done (Savings 20500 KWH annually).

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:-

Following projects have been initiated and completed during Financial Year 2015-16:-

1. New powder packing machine :

New high speed powder packing machine (Nichrome) commissioned. This will reduce the packing cost.

2. Packing speed increased :

Packing speed of two packing machines (RT-12 Ghee packing) and (RT-50 Powder packing) increased by 40% and 25% respectively.

3. ETP flow meter and Camera installation:

Online Flow meter and camera installation completed for better monitoring and also to meet CPCB guidelines.

C) Research & Development

The Company spent Rs. 1.36 Lac on R&D during the year.

In our R & D Wing, we are working on development of new products to enhance our Product Basket in the market and also on value engineering for quality improvement and cost reduction in existing product basket. During the year the following products have been developed in different categories:-

- 1. New Variants in Flavoured Milk.
- 2. Water Beverages Jaljeera & Aampana.
- 3. Rabri - Milk based sweet
- 4. Sterilized Paneer in Tin Packet

The team is also working on some new products like Gulab Jamun Mix, Sugar free dairy whitener and Fruit Juices.

D) Foreign Exchange Earnings and Outgo

	(Rs. in Lac)
Foreign Exchange earned	640.81
Foreign Exchange used	9.35



Annexure-5

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 as amended vide MCA Notification dated 30th June 2016, for the Financial Year 2015-16 ended 31st March 2016:

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16.

Sl. No.	Directors	Ratio to median Remuneration*
1.	Shri R.C. Periwal	1.78
2.	Shri D.B.Doda	1.42
3.	Shri R.C.Jain	1.29
4.	Shri R.L.Saha**	0.26
5.	Smt. Sharda Devi Singhania	0.15

* Only sitting fee paid to Directors.

** Shri R.L. Saha, Independent Director passed away on 15.08.2015.

- B. The percentage increase in remuneration of each director, chief financial officer, company secretary or manager, in the financial year 2015-16 - The increase in the Financial Year 2015-16 in remuneration of Sh. R. C. Periwal, No Increase; Sh. D. B. Doda, No Increase; Sh. R. C. Jain, 7.14%; Sh. Milan Wahi, Chief Executive Officer, Not Applicable (Ceased w.e.f. 07th August 2015); Sh. C. Venugopal, Chief Executive Officer, Not Applicable (Appointed w.e.f. 18th January 2016); Sh. N.C. Baheti, Manager, 23.05%; Sh. Gaurav Jain, Chief Financial Officer, 16.97%; Sh. Gaurav Kumar Kanodia, Company Secretary, 12.04% (Resigned w.e.f. 30th January 2016) and Sh. Pankaj Kamra, Company Secretary, Not Applicable (Appointed w.e.f. 11th February 2016). Information pertaining to Shri R.L. Saha, Director and Smt. Sharda Devi Singhania, Director is for part of the year and the same is not comparable. 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: 16%
- D. The number of permanent employees on the rolls of Company as on 31st March 2016: 246
- E. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 was 11.30% whereas the increase in the managerial remuneration for the same financial year was 23.05%. The said increase was due to usual annual increment in the remuneration of the managerial personnel.
- F. We affirm that the remuneration paid during the year 2015-16 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.



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:

Name of the Director	Category	No. of Board Meetings attended during 2015-16	Whether attended last A.G.M. (29.09.2015)	No. of other Directorships and Committee Memberships/ Chairmanships held in other Companies		
				Other Directorships*	Other Committee Memberships**	Other Committee Chairmanships **
Shri R. C. Periwal Δ	Non-Executive Independent	4	Yes	1	1	-
Shri R.C. Jain Δ	Non-Executive Independent	4	Yes	-	-	-
Late Shri R.L. Saha# (since deceased)	Non-Executive Independent	1	N.A.	N.A.	N.A.	N.A.
Shri D. B. Doda	Non-Executive Non-Independent	4	Yes	-	-	-
Smt. Sharda Devi Singhania	Non-Executive Non-Independent	3	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.

Shri R.L. Saha, Independent Director passed away on 15.8.2015.

N.A. Not Applicable

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 is the Manager of the Company u/s 203 of the Companies Act, 2013.



Date & Number of Board Meetings held:-

Four Board Meetings were held during the year 2015-16, i.e. on 13th May 2015, 10th August 2015, 3rd November 2015 and 27th January 2016.

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).

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 27th January 2016. 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 familiarisation 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. 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 2015 -16 as detailed hereunder:

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

Dates of meetings	No. of members attended
13 th May 2015	3
10 th August 2015	2
3 rd November 2015	3
27 th January 2016	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 R. L. Saha#	Member	1
Shri D.B. Doda@	Member	2

@ Shri D.B. Doda became a member of Committee w.e.f. 10.08.2015.

Shri R.L. Saha, Committee Member passed away on 15.8.2015.

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 Shri R.C. Periwal, Independent Director, Shri R.C. Jain Independent Director and Shri D.B. Doda, Non-Independent Director. The Composition and the role of the committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Four meetings of the Nomination and Remuneration Committee were held during the year 2015-16 as detailed hereunder:

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

Dates of meetings	No. of members attended
10 th August 2015	2
20 th October 2015	3
21 st December 2015	3
27 th January 2016	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	Member	4
Shri D.B. Doda	Member	3
Shri R.C. Jain	Member	4

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.

Shri R.L. Saha, Committee Member passed away on 15.08.2015 and had not attended any Meeting of the Committee during the year 2015-16.

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.12.02 lac to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including



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sitting fee for a separate meeting of Independent Directors), during the financial year 2015-16. 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 2015-16 as detailed here under:

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

Dates of meetings	No. of members attended
13 th May 2015	3
10 th August 2015	2
3 rd November 2015	3
27 th January 2016	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 R. L. Saha#	Member	1
Shri D.B. Doda@	Member	2

@ Shri D.B. Doda became a member of Committee w.e.f. 10.08.2015.

Shri R.L. Saha, Committee Member passed away on 15.08.2015.

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

Eight investor complaints were received during the financial year ended 31st March 2016, 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, 2016, 36 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
2012-2013	Gajraula Hasanpur Road Gajraula - 244235 Distt. Amroha (U.P.)	03.08.2013	12.30 P.M.
2013-2014	Same as above	22.09.2014	11.30 A.M.
2014-2015	Same as above	29.09.2015	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) No Special Resolutions were passed at the Last Annual General Meeting of the Company held on 29th September 2015.
- (b) At the Annual General Meeting of the Company held on 22nd September 2014, Special Resolutions were passed:
- (i) to approve the appointment of Shri. N.C. Baheti as a Manager of the Company for a period of five years w.e.f. 13th May 2014.
- (ii) to authorize the Board of Directors to borrow money upto an amount not exceeding Rs.50 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.50 Crores.
- (c) No Special Resolution was passed at the Annual General Meetings of the Company held on 3rd August 2013.

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 Accounting Standard (AS-18) on Related Party transactions has been made in the Annual Report.



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- (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 has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access the Audit Committee.

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

- 11. Means of Communication:** Quarterly, half yearly and annual financial results are normally published in English Newspaper Business Standard/Financial Express and Business Standard/Jansatta, Lucknow Edition 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, 21st September 2016 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** : 15th September 2016 to 21st September 2016 (both days inclusive)

- (iii) **Dividend Payment Date** : Within three weeks from AGM

- (iv) **Financial Calendar** : Year Ending March 31
Annual General Meeting : Between June and September 2017
for the year ending March 31, 2017

- (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 (Stock Code -500231) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	National Stock Exchange of India Ltd. (Stock Code – UMANGDAIRY) "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai-400 051
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The annual listing fee for the financial year 2016-17 has been paid to both the aforesaid Stock Exchanges.

(vi) Stock Market Price Data:

- I. Monthly high and low quotations at BSE during 2015-2016 are given in the table below:

Month	BSE Limited (Rs.)		BSE Sensex
	High	Low	Close
2015			
April	83.60	54.25	27011.31
May	69.40	52.55	27828.44
June	65.00	52.90	27780.83
July	72.40	60.80	28114.56



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Month	BSE Limited (Rs.)		BSE Sensex
	High	Low	
August	70.00	46.10	26283.09
September	59.00	46.35	26154.83
October	91.70	54.00	26656.83
November	81.85	58.15	26145.67
December	83.80	66.10	26117.54
2016			
January	82.95	58.70	24870.69
February	73.00	52.00	23002.00
March	70.90	56.00	25341.86

(Source: www.bseindia.com)

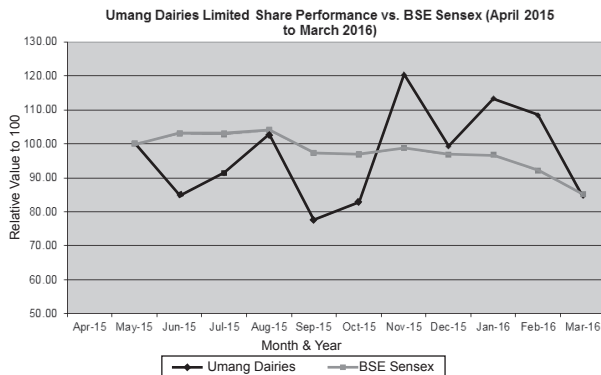
- II. Monthly high and low quotations at NSE during 2015-2016 are given in the table below:

Month	NSE Limited (Rs.)		NSE Nifty
	High	Low	
December*	84.00	64.50	6780.85
2016			
January	82.50	58.80	7563.55
February	72.95	47.40	6987.05
March	69.90	55.20	7738.40

(Source: www.nseindia.com)

* The Equity Shares of the Company were listed on the National Stock Exchange of India Limited w.e.f. 02nd December 2015.

(vii) Umang Dairies Ltd.'s Share Performance vs. BSE Sensex (April 2015 to March 2016)



(Source: www.bseindia.com)

(viii) Dematerialisation of shares and liquidity:

The Equity Shares of the Company are presently tradeable in compulsory demat segment. The ISIN

No. for Equity Shares of the Company for both the depositories is INE864B01027. As on 31st March 2016, 93.56% 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 March 31, 2016:

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 1000	18,158	97.02	26,51,570	12.05
1001 to 10000	517	2.76	14,41,846	6.55
Over 10000	40	0.22	1,79,09,784	81.40
Total	18,715	100.00	2,20,03,200	100.00

(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2016 :

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	1,66,31,316	75.59
Resident Individuals	52,40,604	23.82
FIs, Mutual Funds & Banks	16,100	0.07
Foreign Investors/ FIIs / NRIs	1,15,180	0.52
Total	2,20,03,200	100.00

(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 2016 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 Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements. (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 2016.

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.



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AUDITOR'S COMPLIANCE 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 ("Company") for the financial year ended on 31st March 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the 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 explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants

N. K. Lodha
Partner
Firm Registration No.:301051E
Membership No. 85155

Place : New Delhi

Date : 12th May, 2016



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Members of UMANG DAIRIES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of UMANG DAIRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks

of material misstatement of the 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 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 standalone 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The standalone 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the



UMANG DAIRIES LIMITED

directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) As required by section 143(3)(i) of the Company Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our report on the Internal Financial Controls over Financial Reporting is as per Annexure 'B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note no. 2.24 to the financial statements.

- ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N. K. LODHA
Partner
(Membership No. 85155)

Place: New Delhi
Date: 12th May, 2016



ANNEXURE 'A' TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Umang Dairies Limited for the year ended 31st March 2016.

1. (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) As explained to us, the fixed assets have been physically verified by the management according to a phased Programme designed to cover all the items over a period of three years (except assets lying with third parties read with Note no 2.32) which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
2. The inventories of the Company (except stock lying with third parties and in transit) have been physically verified by the management at reasonable intervals. In our opinion the discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has not granted any loan secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, we are not offering any comment on the provisions of Clause 3(iii) (a), (b) & (c) of the Order.
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, the company has not given any loans, guarantees and security and has not made any investment under the provisions of the Section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and rules framed there under and the directives issued by Reserve bank of India or any other relevant provisions of the Act. We have been informed that no order has been passed by the Company Law Board or National Company law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
6. We have broadly reviewed the books of accounts required to be 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 in respect of the Company's product to which the said rules are made 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.

7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2016 except Sales Tax of Rs. 2,33,677/- and Mandi Tax of Rs. 6,23,000/-.
- (b) According to the records and information & explanations given to us, there are no dues in respect of, Service Tax or Duty of Customs or Duty of Excise or Value Added Tax that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Income tax, Sales tax and that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:-

Name of Statute	Nature of the dues	Amount (Rs. in Lacs)	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
		31.50	2010-2015	Appellate Authorities
		49.78	2013-2016	-----
Income Tax Act	Income Tax	354.23	2011-12	CIT(Appeal)
		463.93	2012-13	CIT(Appeal)

8. In our opinion, on the basis of audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to banks. The company does not have any dues to financial institutions, government or debenture holders. – Read with foot note (b) of Note No. 2.3.



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9. In our opinion, on the basis of information and explanations given to us, during the year the company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which these loans were obtained.
10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of the audit nor we have been informed about any such instance.
11. On the basis of records and information and explanations made available, managerial remuneration which has been paid or provided is in accordance with the requisite approvals mandated under Section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to information & explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. As per the information and explanations and records made available by the management of the Company and audit procedure performed, for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable. As explained and as per records/details made available, related parties transactions are disclosed as required by the applicable Accounting Standards.
14. According to the information, explanations and records made available, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. On the basis of records made available and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, we are not offering our comments with respect to compliance of Section 192 of the Companies Act, 2013.
16. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N. K. LODHA
Partner
(Membership No. 85155)

Place: New Delhi
Date: 12th May, 2016



UMANG DAIRIES LIMITED

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF UMANG DAIRIES LIMITED

Report on the Internal Financial Controls over Financial Reporting 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 March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 March 31, 2016, 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 LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N. K. LODHA
Partner
(Membership No: 85155)

Place: New Delhi
Date: 12th May, 2016



UMANG DAIRIES LIMITED

BALANCE SHEET As at 31st March, 2016

(Rs. in Lac)

Particulars		Note No.	Figures as at the end of current reporting period (31.03.2016)	Figures as at the end of previous reporting period (31.03.2015)
1	2	3	4	
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	2.1	1,459.16	1,459.16	
(b) Reserves and surplus	2.2	2,088.27	1,603.51	
		3,547.43	3,062.67	
2 Non-current liabilities				
(a) Long-term borrowings	2.3	894.70	363.60	
(b) Deferred tax liabilities (Net)		341.05	317.38	
(c) Other Long term liabilities	2.4	1,114.31	1,158.16	
(d) Long-term provisions	2.5	123.99	131.15	
		2,474.05	1,970.29	
3 Current liabilities				
(a) Short-term borrowings	2.6	811.29	1,090.41	
(b) Trade payables	2.6(a)	441.81	768.98	
(c) Other current liabilities	2.7	1,769.36	1,441.55	
(d) Short-term provisions	2.5	1,126.30	734.58	
		4,148.76	4,035.52	
TOTAL		10,170.24	9,068.48	
II. ASSETS				
1 Non-current assets				
(a) Fixed assets	2.8			
(i) Tangible assets		3,378.16	3,344.28	
(ii) Intangible assets		0.46	1.70	
(iii) Capital work-in-progress		1,735.26	118.75	
(b) Long-term loans and advances	2.9	102.18	222.40	
(c) Other non current assets	2.10	1.00	1.00	
		5,217.06	3,688.13	
2 Current assets				
(a) Inventories	2.11	3,478.49	4,302.43	
(b) Trade receivables	2.12	266.49	430.77	
(c) Cash and cash equivalents	2.13	65.92	69.21	
(d) Short-term loans and advances	2.14	1,142.28	577.94	
		4,953.18	5,380.35	
TOTAL		10,170.24	9,068.48	

Significant Accounting Policies & Notes on Accounts 1&2 attached to the Balance Sheet are an integral part thereof.

As per our report of even date.

for LODHA & CO.
Chartered Accountants

N.C.Baheti
(Manager)

Desh Bandhu Doda
Ratan Chand Jain
Ram Chandra Periwal
Sharda Devi Singhania

Directors

N.K. Lodha
Partner
(Membership No. 85155)
Firm Registration No. – 301051E
New Delhi : 12th May, 2016

Gaurav Jain
(Chief Financial Officer)

Pankaj Kamra
(Company Secretary)



UMANG DAIRIES LIMITED

Profit and loss statement for the Year ended 31.03.2016

(Rs. In Lac)

	Particulars	Note No.	Figures for the current reporting period ending 31.03.2016	Figures for the previous reporting period ending 31.03.2015
I.	Revenue from operations	2.15	18,902.53	25,119.91
	Less: Excise Duty		4.10	5.46
	Revenue from operations (net)		18,898.43	25,114.45
II.	Other income	2.16	43.74	21.36
III.	Total Revenue		18,942.17	25,135.81
IV.	Expenses:			
	Cost of materials consumed	2.17	11,884.35	19,293.07
	Changes in inventories of finished goods, work in-progress and Stock-in-Trade	2.18	848.12	(413.39)
	Employee benefits expense	2.19	1,271.88	1,067.93
	Finance costs	2.20	62.37	99.91
	Depreciation and amortization expense	2.8	301.28	262.86
	Other expenses	2.21	3,421.74	3,527.02
	Total expenses		17,789.74	23,837.40
V	Profit before tax		1,152.43	1,298.41
VI	Tax expense:			
	(1) Current Tax		375.14	380.46
	(2) Deferred Tax		23.67	121.51
	(3) Tax adjustments for Earlier Years		3.24	(55.19)
VII	Profit for the period		750.38	851.63
VIII	Earnings per equity share:	2.22		
	(1) Basic		3.41	3.87
	(2) Diluted		3.41	3.87

Significant Accounting Policies & Notes on Accounts 1&2 attached to the Profit and Loss Statement are an integral part thereof.

As per our report of even date.

for LODHA & CO.
Chartered Accountants

N.C.Baheti
(Manager)

Desh Bandhu Doda
Ratan Chand Jain
Ram Chandra Periwal
Sharda Devi Singhania

Directors

N.K. Lodha
Partner
(Membership No. 85155)
Firm Registration No. – 301051E
New Delhi : 12th May, 2016

Gaurav Jain
(Chief Financial Officer)

Pankaj Kamra
(Company Secretary)



Significant Accounting Policies and Notes to Accounts for the year ended 31st March'2016

1. Significant Accounting Policies

- 1.1 The financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.
- 1.2 Fixed Assets are stated at cost of acquisition/purchase.
- 1.3 Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.
- 1.4 Depreciation on fixed assets has been provided using Straight Line Method over their useful life as prescribed under Schedule II of the Companies Act, 2013. Continuous process plants as defined in Schedule II have been considered on technical evaluation. However in respect of plant & machinery, depreciation is provided as per their useful life as assessed by the management, ranging from 3 to 18 years.
- 1.5 Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of transactions. Assets and Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. Increase / decrease arising in respect thereof are adjusted in the Profit and Loss Statement. Premium/discount in respect of forward contracts is recognized over the life of the Contracts.
- 1.6 Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Cost for the purpose of Finished Goods and Process Stock is determined considering material, labour and related overheads.
- 1.7 Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/ construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Statement.
- 1.8 Revenue Expenditure on Research and Development is charged to Profit & Loss Statement and Capital Expenditure is added to cost of Fixed Assets.
- 1.9 Employee benefits:
 - (i) Defined Contribution Plan:

Employee benefits in the form of Provident Fund, ESI are considered as defined contribution plan and the contributions are recognized in the Profit and Loss Statement of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective authorities.
 - (ii) Defined Benefit Plan:

Retirement benefits in the form of Gratuity, Leave Encashment and PF (funded) are considered as defined benefit obligations and are provided for on the basis of actuarial valuation determined using the projected unit credit method, as at the date of the balance sheet. Actuarial gains/losses are immediately recognized in the Profit and Loss Statement.
 - (iii) Short-term compensated absences are provided based on past experience of leave availed.
- 1.10 An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the profit and loss Statement when an asset is identified as impaired. Reversal of impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exists or has decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- 1.11 Provision in respect of present obligation arising out of past events is made in Accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities (if material) are disclosed by way of Notes to Accounts.
- 1.12 Current Tax is the amount of Tax payable on the estimated taxable income for the current year as per the Provision of Income Tax Act, 1961. Deferred Tax Assets and liabilities are recognised for timing differences in respect of current year and prospective years. Deferred Tax Asset is recognised on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realised.
- 1.13 Use of Estimates and Assumptions:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognized in the period in which the results are known /materialized.



UMANG DAIRIES LIMITED

2.1 SHARE CAPITAL

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs. in lac	Rs. in lac
Authorised		
3,00,00,000 (P.Y.- 3,00,00,000) Equity Shares of Rs. 5 each	1,500.00	1,500.00
6,00,000 (P.Y.- 6,00,000) Redeemable Preference shares of Rs. 100 each	600.00	600.00
	2,100.00	2,100.00
Issued, Subscribed and Paid-up		
2,20,03,200 (P.Y.- 2,20,03,200) Equity Shares of Rs. 5 each	1,100.16	1,100.16
3,59,000 (P.Y.- 3,59,000) Zero coupon Redeemable Preference shares of Rs. 100 each	359.00	359.00
Total	1,459.16	1,459.16

Notes:-

(i) 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.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(ii) Preference Shares :-

Pursuant to BIFR Order, 2,08,000 no. Preference Shares are redeemable on 20.10.2016 and balance 1,51,000 no. 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.

(iii) Bonus share issued during last five year Nil

Reconciliation of the number of shares outstanding

Particulars	31.03.2016		31.03.2015	
	No. of Equity Shares	No. of Preference Shares	No. of Equity Shares	No. of Preference Shares
Shares outstanding at the beginning of the year	2,20,03,200	3,59,000	2,20,03,200	3,59,000
Shares issued during the year	-	-	-	-
Shares bought back/redeemed during the year	-	-	-	-
Shares outstanding at the end of the year	2,20,03,200	3,59,000	2,20,03,200	3,59,000

Details of Equity Shareholders holding more than 5% of equity shares

Name of Shareholder	No. of Shares held	
	As at 31 March 2016	As at 31 March 2015
Accurate finman Services Ltd.	25,97,804	26,25,000
Bengal & Assam Company Ltd.	99,22,965	99,22,965
Juggilal Kamapat Udyog Ltd.	27,00,000	27,00,000
Florence Investech Ltd.	11,94,965	11,94,965



UMANG DAIRIES LIMITED

Details of Preference Shareholders holding more than 5% of preference shares

Name of Shareholder	No. of Shares held	
	As at 31 March 2016	As at 31 March 2015
T.K.Ruby & Co.	40,000	40,000
Hero Paper Stores	50,000	50,000
Accurate Finman Services Ltd.	23,000	23,000
Vijay Narain Bhargava	45,000	45,000
Hero Multi-Pap Pvt.Ltd.	40,000	40,000
Samji Raishi Karia	76,000	76,000
Hemlata Dhiraj Karia/Dhiraj D.Karia	80,000	80,000

2.2 RESERVES AND SURPLUS

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Capital Redemption Reserve		
Opening Balance	-	-
Add: Transferred from Surplus*	100.00	-
Closing Balance	100.00	-
General Reserve		
Opening Balance	155.45	107.00
Less: Opening balance of Fixed assets whose life as on 31.03.2014 has expired adjusted against opening reserve (net of deferred tax Rs.8.76 lac)	-	(16.55)
Add: Transferred from Surplus	300.00	65.00
Closing Balance	455.45	155.45
Surplus/(Deficit)		
Opening balance	1,448.06	925.45
Net Profit/(Net Loss) as per the profit & Loss Statement	750.38	851.63
Amount available for appropriation	2,198.44	1,777.08
Appropriations:-		
Transferred to Capital Redemption Reserve	100.00	-
Transferred to General Reserve	300.00	65.00
Proposed Dividend	220.03	220.03
Corporate Dividend tax	45.59	43.99
Closing Balance	1,532.82	1,448.06
	2,088.27	1,603.51

* Capital redemption reserve of Rs.100 lac (Partly) has been created for the purpose of redemption of 2,08,000 no. Preference Shares Amounting to Rs. 208 lac which are due for redemption on 20.10.2016.

Note:

Dividend proposed @ Rs. 1.00 (Rs. 1.00/- P.Y.) per Equity Share

2.3 LONG TERM BORROWINGS

Particulars	NON CURRENT		CURRENT MATURITIES	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Rs. in lac	Rs. in lac	Rs. in lac	Rs. in lac
Secured				
Term loans				
-Term Loans from Bank	890.82	345.94	507.81	256.36
-from other parties	-	-	40.00	140.00
Vehicle Loan	3.88	17.66	1.29	3.76
Less: Amount disclosed under the head Current Liabilities [Note No. 2.7]			549.10	400.12
Total	894.70	363.60	-	-



UMANG DAIRIES LIMITED

- (a) Loan of Rs.Nil (Previous year Rs.100 lac) from a body corporate (a related party) was Secured by a first pari passu charge over the moveable fixed assets of the Company both present and future and also,by a second charge on current assets of the Company both present & future.
- (b) Loan of Rs. 40 lac (Previous year Rs.40 lac) from a body corporate is secured by a first pari passu charge over the entire moveable properties of the company is payable on demand. Refer note no. 2.23
- (c) Term Loan of Rs.41.84 Lac (Previous year Rs.207.20 Lac) 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 payable in equal monthly installments of Rs.13.78 lac each commencing from December,2013.
- (d) Term Loan of Rs.175.75 Lac (Previous year Rs.248.84 Lac) 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 sixteen quarterly installments of Rs.22.75 lac each commencing from April,2015.
- (e) Term Loan of Rs.1048.15 Lac (Previous year Rs.146.26 Lac) 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 installments of Rs.71.88 lac commencing from June,2016.
- (f) Term Loan of Rs.132.89 Lac (Previous year 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 equal quarterly installments of Rs. 29.15 lac commencing from July,2016.
- (g) Vehicle Loan of Rs.5.17 Lac (Previous year Rs.21.42 Lac) from NBFC is secured by way of hypothecation of vehicle purchased thereunder. Loan is repayable in different equal monthly installments including interest,for different loan taken on different rates.

2.4 OTHER LONG TERM LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Security Deposits	150.39	194.24
Others { Note no.-2.31 (i) }	963.92	963.92
Total	1,114.31	1,158.16

2.5 PROVISIONS

Particulars	LONG-TERM		SHORT-TERM	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Rs. in lac	Rs. in lac	Rs. in lac	Rs. in lac
<u>PROVISION FOR EMPLOYEE BENEFITS</u>				
Gratuity (unfunded)	77.14	78.90	10.72	5.34
Leave Encashment (unfunded)	43.95	49.95	12.86	5.73
Sick Leave	2.90	2.30	0.18	0.15
<u>PROVISION FOR DIVIDEND</u>				
Provision for Proposed Dividend	-	-	220.03	220.03
Provision for Dividend Tax	-	-	44.79	43.99
<u>PROVISION FOR TAX</u>	-	-	831.49	453.11
<u>OTHERS</u>				
Other Provision	-	-	6.23	6.23
Total	123.99	131.15	1,126.30	734.58



UMANG DAIRIES LIMITED

2.6 SHORT-TERM BORROWINGS

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Secured		
Working Capital Borrowing from Bank*	811.29	1,090.41
Total	811.29	1,090.41

*Working Capital Borrowing 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.

2.6(a) TRADE PAYABLES

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
(i) Total outstanding dues of micro enterprises and small enterprises	58.68	20.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	383.13	748.15
Total	441.81	768.98

2.7 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
(a) Current maturities of long-term debt	549.10	400.12
(b) Interest accrued but not due	11.00	5.93
(c) Advance from customers	498.46	519.20
(d) Statutory Dues	32.31	28.92
(e) Salary & wages payable	101.89	57.46
(f) Unclaimed dividends *	25.36	15.43
(g) Capital Creditors	237.18	36.15
(h) Security deposits	98.07	114.48
(i) Others Payables	215.99	263.86
Total	1,769.36	1,441.55

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



UMANG DAIRIES LIMITED

2.8 FIXED ASSETS

(Rs in Lac)

	Particulars	Gross Carrying Amount				Depreciation and amortization				Net Carrying Amount	
		As at April 1, 2015	Additions/ Adjustments during the period	Sales/ Adjustments during the period	As at March 31, 2016	As at April 1, 2015*	For the period	Sales/ Adjustments during the period	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
a.	Tangible Assets										
	Land	35.83	-	-	35.83	-	-	-	-	35.83	35.83
	Buildings	1,848.01	19.22	-	1,867.23	590.23	55.32	-	645.55	1,221.68	1,257.79
	Roads	25.36	4.93	-	30.29	24.10	0.73	-	24.83	5.46	1.26
	Plant & Machinery	3,536.70	298.57	10.51	3,824.76	1,882.12	119.38	2.85	1,998.65	1,826.11	1,654.58
	Laboratory Equipment	336.29	5.74	7.72	334.31	91.39	96.55	6.27	181.67	152.64	244.90
	Electric Installation & Equipments	173.76	-	-	173.76	121.74	6.79	-	128.53	45.23	52.02
	Pipeline & Fittings	3.76	-	-	3.76	1.67	0.18	-	1.85	1.91	2.09
	Furniture & Fittings	37.99	1.32	-	39.31	32.68	0.60	-	33.28	6.03	5.31
	Motor Vehicles	74.04	20.00	28.97	65.07	13.63	8.00	6.26	15.37	49.70	60.41
	Computers	72.60	5.56	-	78.16	53.15	7.83	-	60.98	17.18	19.45
	Office Equipments	34.93	10.41	-	45.34	24.29	4.66	-	28.95	16.39	10.64
	Total (a)	6,179.27	365.75	47.20	6,497.82	2,835.00	300.04	15.38	3,119.66	3,378.16	3,344.28
	Previous Year	5,428.00	788.16	36.91	6,179.27	2,572.26	286.93	24.20	2,835.00	3,344.28	2,855.74
b.	Intangible Assets										
	Computer Softwares	5.41	-	-	5.41	3.71	1.24	-	4.95	0.46	1.70
	Previous Year	5.41	-	-	5.41	2.47	1.24	-	3.71	1.70	2.94
	Capital Work In Progress	-	-	-	1,735.26	-	-	-	-	1,735.26	118.75

* The Carrying value of the Fixed Assets which have completed their useful life as on 1st April, 2014 of Rs. 25.31 lac. Gross excluding deferred tax asset of Rs. 8.76 lac have been charged off against the General Reserve

2.9 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Unsecured, considered good		
a. Capital Advances	38.69	157.65
b. Security Deposits with Govt. authorities and others	63.49	64.75
Total	102.18	222.40

2.10 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Other		
Fixed Deposit (Pledged with sales tax department)	1.00	1.00
Total	1.00	1.00



UMANG DAIRIES LIMITED

2.11 INVENTORIES (As certified by the Management) (Lower of cost and net realisable value)

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
a. Raw Materials and components	20.76	17.96
b. Work-in-progress		
- Semi Processed Milk	100.99	61.36
c. Finished goods	2,950.87	3,838.17
d. Stores and spares	405.87	384.94
Total	3,478.49	4,302.43

2.12 TRADE RECEIVABLES (Unsecured considered good, unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
<u>Trade receivables outstanding for a period exceeding six months from the due date of payment</u>		
Considered good	3.43	21.93
Considered doubtful	3.97	3.97
Less: Provision for doubtful debts	(3.97)	(3.97)
	3.43	21.93
<u>Other Trade receivables</u>		
Considered good	263.06	408.84
Total	266.49	430.77

2.13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
CASH AND CASH EQUIVALENTS		
a. Balances with banks	26.27	46.39
b. Cheque in hand	10.78	-
c. Unclaimed dividend account	25.36	15.43
d. Cash on hand	2.60	5.64
	65.01	67.46
OTHER BANK BALANCES		
- Deposits with original maturity of more than 3 months but less than 12 months (Held as margin money)	0.91	1.75
- Deposits with original maturity of more than 12 months	1.00	1.00
Less :- Amount disclosed under the head other non-current assets.	(1.00)	(1.00)
Total	65.92	69.21



UMANG DAIRIES LIMITED

2.14 SHORT-TERM LOANS AND ADVANCES

(unsecured considered good, unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Considered good		
Income Tax Advances payment/TDS	1,053.35	498.17
Sales Tax/Vat Recoverable	25.62	28.61
Interest receivable	5.35	5.20
Export Incentive receivable	9.27	13.64
Others	48.69	32.32
Considered doubtful		
Others	3.49	3.49
Less: Provision for doubtful advances	(3.49)	(3.49)
Total	1,142.28	577.94

2.15 REVENUE FROM OPERATIONS

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Sale of products		
Ghee	4,853.25	7,515.50
Powder	9,405.04	12,187.07
Others	1,384.41	2,624.11
Other operating revenues		
Conversion Charges	3,141.60	2,661.08
Export Incentive	6.41	13.59
Excess provision no longer required written back	8.98	3.71
Others	102.84	114.85
Revenue from Operations (Gross)	18,902.53	25,119.91
Less: Excise duty	4.10	5.46
Revenue from Operations(Net)	18,898.43	25,114.45

2.16 OTHER INCOME

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Interest Income	14.37	8.26
Profit on sale of fixed assets	9.23	10.08
Dividend Income on current investments	16.20	3.02
Others	3.94	-
Total	43.74	21.36

2.17 RAW MATERIAL CONSUMED (Indigenous 100%)

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Raw Milk	10,557.43	17,894.05
Sugar	215.35	261.75
Packing Material	871.61	1,082.33
Others	239.96	54.94
Total	11,884.35	19,293.07



UMANG DAIRIES LIMITED

2.18 CHANGE IN INVENTORIES

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Opening Stocks		
Work- in- progress-Milk	61.36	85.41
Finished Goods	3,838.17	3,400.66
	3,899.53	3,486.07
Closing Stocks		
Work- in- progress-Milk	100.99	61.36
Finished Goods	2,950.87	3,838.17
	3,051.86	3,899.53
Add/(Less): Excise Duty Variance on Stock	(0.45)	(0.07)
(Increase)/Decrease in Stocks	848.12	(413.39)

2.19 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
(a) Salaries/Wages & Bonus	1,174.75	977.17
(b) Contributions to - Provident fund & Other Fund	78.60	73.90
(c) Staff welfare and other benefits	18.53	16.86
Total	1,271.88	1,067.93

2.20 FINANCE COST

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Interest expense	54.88	83.68
Other borrowing costs	7.49	16.23
Total	62.37	99.91

2.21 OTHER EXPENSES

Particulars	For the Period ended 31 March 2016	For the year ended 31 March 2015
	(Rs. in lac)	(Rs. in lac)
Power & Fuel	1,653.99	1,679.72
Consumption of stores & spares(100%Indigenous)	327.77	325.96
Insurance	30.95	30.49
Rent	29.50	23.14
Freight and Forwarding charges	353.10	435.29
Rates and Taxes	15.02	17.24
Repair to Machinery	79.64	65.60
Repair to Building	5.84	1.66
Director fees	12.02	14.05
Foreign exchange fluctuation (net)	3.52	14.56
Loss on sale of Assets	2.18	-
Balances written off	-	29.45
CSR Expenses	13.74	-
Advertisement, Bank Charges, Travelling,Consultancy, Sales Promotion etc.	894.47	889.86
Total	3,421.74	3,527.02



UMANG DAIRIES LIMITED

2.22 BASIC AND DILUTED EARNING PER SHARE (PURSUANT TO ACCOUNTING STANDARD-20)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Surplus/(Deficit) for the year (Rs. In lac)		
-Before Extra Ordinary Items	750.38	851.63
-After Extra Ordinary Items	750.38	851.63
Weighted average number of equity share (Nos.)	2,20,03,200	2,20,03,200
Nominal value of equity shares (Rs.)	5	5
Basic Earning per share (Rs.)	3.41	3.87
Diluted Earning per share (Rs.)	3.41	3.87

2.23 Liability of a Term loan from a body corporate has been recognized to the extent and in terms of BIFR order.

- 2.24 (a) Contingent liabilities in respect of claims disputed/not accepted and not provided for is Rs.1405.96 Lac as certified by the management (previous year Rs.896.92 Lac).Details thereof are, Sales tax Rs. 145.84 Lac (previous year Rs. 100.73 Lac), Mandi fee (U.P.) Rs.181.66 Lac (previous year 181.66 Lac), Milk Cess (U.P.) Rs.69.25 Lac (previous year Rs. 69.25 Lac) and Income Tax Rs. 1009.21 Lac (previous year Rs.545.28). Interest impact on above, if any, will be considered as and when arise.
- (b) 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.
- (c) During the previous year, Company acted as a facilitator and has extended a guarantee to Yes Bank limited of Rs. 104.35 lac for loans provided to the farmers.

2.25 Based on information available with the Company in respect of MSME (The Micro Small & Medium Enterprises Development Act, 2006) the details are as under:

- Principal amount due and remaining unpaid as at 31.03.2016 - Rs.64.60 Lac (P.Y. - Rs. 28.10 Lac).
- Interest amount due and remaining unpaid as at 31.03.2016 – Rs. Nil (P.Y. - Rs. NIL).
- Interest paid in terms of section 16 of the MSME Act during the year - Rs. NIL (P.Y. - Rs. NIL).
- The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year but without adding the interest specified - Rs. NIL (P.Y. Rs. NIL).
- Payment made beyond the appointed day during the year - Rs. NIL (P.Y. - Rs. NIL).
- Interest accrued and unpaid as at 31.03.2016 - Rs. NIL (P.Y. -Rs. NIL).

2.26 Research and Development expenditure amounting to Rs. 1.36 Lac (previous year Rs. 2.32 Lac) has been charged to Profit and Loss statement.

2.27 The Company has only one business segment, i.e. Dairy Products, hence segment reporting as defined in Accounting Standard-17 is not applicable.

2.28 Conversion charges under Other Operating revenue represent income on account of contract manufacturing activities undertaken by the Company in terms of the agreements with Principal (Contractees) in which either party have right to release other by mutual consent.



UMANG DAIRIES LIMITED

2.29 EMPLOYEE BENEFITS:

(a) The status of the gratuity and leave encashment as per actuarial valuation on March 31, 2016 is as follows:

(Rs. in Lac)

		For the year ended 31 st March 2016		For the year ended 31 st March 2015	
		Gratuity (Non-Funded)	Leave Encashment (Non-Funded)	Gratuity (Non-Funded)	Leave Encashment (Non-Funded)
I	Expense recognized in the statement of profit and loss				
a)	Current service cost	13.59	14.08	13.02	13.59
b)	Interest cost	6.74	4.45	4.99	3.25
c)	Net actuarial (gain)/ loss recognized in the period	3.38	2.45	7.72	6.87
d)	Expenses recognized in the statement of profit & losses	23.71	20.98	25.72	23.70
II	Net Assets/(liability) recognized in the Balance sheet as at March 31, 2016.				
a)	Present value of obligation as at the end of the period	87.86	56.81	84.24	55.69
b)	Net assets/(liability) recognized in Balance Sheet	(87.86)	(56.81)	(84.24)	(55.69)
III	Change in present value of obligation				
a)	Present value of obligation as at the beginning of the period (01/04/2015)	84.24	55.69	62.32	40.60
b)	Interest Cost	6.74	4.45	4.99	3.25
c)	Current service cost	13.59	14.08	13.02	13.59
d)	Benefits paid	(20.09)	(19.86)	(3.81)	(8.61)
e)	Actuarial (gain)/loss on obligation	3.38	2.45	7.72	6.87
f)	Present value of obligation as at the end of period (31.03.2016)	87.86	56.81	84.24	55.69
IV	Changes in the fair value of plan assets	-	-	-	-
V	The Major Category of Plan assets as a percentage to total plan	N.A.	N.A.	N.A.	N.A.
VI	Actuarial Assumptions				
	Economic Assumptions:				
	Discounting Rate	8.00%		8.00%	
	Future salary Increase	7.00%		7.00%	
	Expected Rate of return on plan assets	-		-	
	Demographic Assumptions:				
	Retirement Age	60 Years		60 Years	
	Mortality Table	IALM (2006-08)		IALM (2006-2008)	
	Withdrawal Rates				
	Age	Withdrawal Rate (%)		Withdrawal Rate (%)	
	Up to 30 Years	3.00		3.00	
	From 31 to 44 Years	2.00		2.00	
	Above 44 Years	1.00		1.00	



UMANG DAIRIES LIMITED

(b) (i) **Defined Benefits Plans:**

Amounts recognised as an expense and included in Note 2.19 item "Salaries, Wages, Bonus" included Rs. 20.98 Lac (previous year Rs. 23.70 Lac) for Leave encashment and Rs.23.71 Lac (previous year Rs. 25.72 Lac) for Gratuity.

(ii) **Defined Contribution Plans:**

Amounts recognised as an expense and included in Note 2.19 item Contribution to PF & other funds of profit & loss statement.

(c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(d) Experience Adjustments

(Rs./Lac)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Gratuity Funded					
Define Benefit Obligation	38.20	50.28	62.32	84.24	87.86
Fair Value of plan Assets	-	-	-	-	-
Surplus/Deficit (Actuarial (Gain)/Loss	(0.34)	2.40	3.26	7.72	3.38
Expected Adjustment on plan liability	-	-	-	-	-
Expected Adjustment on plan Assets	-	-	-	-	-
Leave Encashment					
Define Benefit Obligation	26.81	31.80	40.60	55.69	56.81
Fair Value of plan Assets	-	-	-	-	-
Surplus/Deficit (Actuarial (Gain)/Loss	3.14	3.87	4.26	6.87	2.45
Expected Adjustment on plan liability	-	-	-	-	-

2.30 (i) Building includes Rs 959.03 Lac (Previous year 959.03 Lac) Gross funded by a body corporate and to the extent Rs. 963.92 Lac (Previous Year 963.92 Lac) have been included in other long term liabilities, pending for transfer under an agreement.

(ii) Capital work in progress includes pre-operative expenses: legal & professional fee Rs. 39.20 Lac (Previous Year Rs. 26.05 Lac), Processing Fee & Interest on Term Loan Rs.80.94 Lac (Previous Year Rs. 14.02 lac), Salary & allowances Rs. 21.43 lac (Previous Year Nil), Rent Rs. 6.00 Lac (Previous Year Nil) Insurance Exp. Rs. 1.83 Lac (Previous Year Nil) and Misc. Exp. Rs.6.09 Lac (Previous year Nil).

2.31 Loans and Advances include advances to employees of Rs.6.19 Lac (previous year Rs. 2.91 Lac) in the ordinary course of business and as per service rules of the Company. Maximum amount outstanding during the year is Rs.10.81 Lac (previous year Rs. 4.33 Lac).

2.32 Balances of certain Trade Receivables, advances, Cans & Milk Analyzers (fixed assets) lying with the third parties are in the process of confirmation/reconciliation.

2.33 Estimated amount of contracts remaining to be executed on capital account (net of advance) is Rs. 145.44 Lac (previous year Rs. 986.81 Lac).

2.34 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.



UMANG DAIRIES LIMITED

2.35 Prior period expenses included in respective heads of accounts includes Repair & Maintenance - P&M Rs. Nil (Previous Year Rs.0.18 Lac), Subscription & Membership Fee Rs. Nil (Previous Year Rs.0.04 Lac), Packing Expenses Rs. Nil (Previous year Rs.0.35 Lac), Interest Rs.0.93 Lac (Previous year Rs. Nil), Bonus Rs. 1.22 Lac (Previous Year Rs. Nil) and Misc.exp.Rs.4.92 Lac (Previous Year Rs. Nil).

2.36 Expenditure/Earnings in Foreign Currency

Earnings in Foreign Currency :-	2015-16	2014-15
F.O.B. Value of exports (Rs. In Lac)	640.81	1010.02

2.37 Pursuant to the Accounting Standard for 'Taxes on Income' (AS 22), deferred tax liability/assets are as under:

	31st March, 2016	31 st March, 2015
Particulars	Amount (Rs. In Lac)	Amount (Rs. In Lac)
Deferred Tax Liabilities		
Related to Fixed Assets	409.32	374.71
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	68.27	57.33
Deferred Tax liability(Net)	341.05	317.38

2.38 Related Party Disclosure

List of Related Parties:-

(a) Associates

Bengal & Assam Company Limited (BACL)^

(b) Other related parties with whom Company has transactions

Entity where director is interested

Pushpawati Singhania Research Institute (PSRI) ^

(c) Key Management Personnel (KMP)

Shri Milan Wahi (01.04.2015 to 07.08.2015) Chief Executive Officer

Shri C.Venugopal (w.e.f-18.01.2016) Chief Executive Officer

Shri N.C. Baheti Manager

Shri Gaurav Jain ^ Chief Financial Officer

Shri Gaurav Kanodia (01.04.2015 to 30.01.2016) Company Secretary

Shri Pankaj Kamra ^ (w.e.f.-11.02.2016) Company Secretary

^ In view of Companies Act, 2013

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	2015-16 (Rs.In Lac)	2014-15 (Rs.in Lac)
Loan Repaid to BACL	100	100
Loan payable to BACL	Nil	100
Medical Expenses paid to PSRI	0.04	-

Details of Remuneration to KMP: Chief Executive Officer Rs.30.43 Lac for the period 01.04.2015 to 07.08.2015 (previous year- Rs. 22.99 lac for the period 26.11.2014 to 31.03.2015), Chief Executive Officer Rs.15.56 Lac for the period 18.01.2016 to 31.03.2016 (Previous year- Rs. Nil), Manager Rs. 29.92 Lac (previous year- Rs. 23.28 lac for the period 13.05.2014



UMANG DAIRIES LIMITED

to 31.03.2015), Chief Financial Officer Rs.16.22 Lac (Previous year Rs.13.39), Company Secretary Rs.5.74 Lac for the period 01.04.2015 to 30.01.2016 (Previous year Rs.5.98 lac) & Company Secretary Rs.0.96 Lac for the period 11.02.2016 to 31.03.2016 (Previous year- Rs. Nil).

2.39 Amount paid to Auditors (Including Service Tax) : -

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Amount (Rs. in lac)	Amount (Rs. in lac)
a. Audit Fees	3.09	2.25
b. Tax Audit Fees	0.46	0.34
c. For Other Services	1.15	0.74
d. For Reimbursement of Expenses	0.14	0.22
Total	4.84	3.55

2.40 Previous year figures have been regrouped/rearranged/recasted wherever considered necessary.

As per our report of even date.

for LODHA & CO.

Chartered Accountants

N.K. Lodha

Partner

(Membership No. 85155)

Firm Registration No. – 301051E

New Delhi : 12th May, 2016

N.C.Baheti

(Manager)

Gaurav Jain

(Chief Financial Officer)

Pankaj Kamra

(Company Secretary)

Desh Bandhu Doda

Ratan Chand Jain

Ram Chandra Periwal

Sharda Devi Singhania

Directors



UMANG DAIRIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st March, 2016

(Rs. in lac)

	2015-16	2014-15
A. Cash Flow from Operating Activities		
Net Profit (+)/Loss(-) before taxation and extraordinary items	1152.43	1,298.41
Adjustments for :		
Depreciation	301.28	262.86
Interest income	(14.37)	(8.26)
Dividend received	(16.20)	(3.02)
Excess Provision of earlier years no longer required(net)	(8.98)	(3.71)
Balances Written back/Written off (Net)	(3.94)	29.45
Interest & Finance Charges	62.37	99.91
(Profit)/loss on sale of Fixed Assets (net)	(7.05)	(10.08)
Operating Profit before working capital changes	1465.54	1665.56
(Increase)/ Decrease in Inventories	823.94	(411.08)
(Increase) / Decrease in Trade and other Receivables	156.53	673.31
Increase/ (Decrease) in Trade and Other Payables	(188.89)	(599.45)
Cash Generated from Operations	2,257.12	1,328.34
Direct Tax paid	(555.18)	(306.51)
Net Cash from operating activities	1,701.94	1,021.83
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(1,915.34)	(793.02)
Capital Advances	118.96	(24.22)
Proceeds from sale of Fixed Assets	38.87	22.79
Dividend received	16.20	3.02
Interest Received	14.22	7.98
Net Cash from Investing activities	(1,727.09)	(783.45)
C. Cash Flow from Financing Activities		
Dividend Paid (Including Dividend Tax)	(254.89)	(248.59)
Repayment of Borrowings	(651.72)	(352.49)
Long term borrowings	1052.68	451.14
Interest paid	(124.22)	(112.20)
Net Cash used in financing activities	21.85	(262.14)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(3.29)	(23.76)
Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year	69.21	92.97
Cash and Cash equivalents being Cash and Bank balances as at the end of the year	65.92	69.21

Note:

Previous year's figures have been regrouped / rearranged / recasted wherever necessary.

for LODHA & CO.

Chartered Accountants

N.K. Lodha

Partner

(Membership No. 85155)

Firm Registration No. – 301051E

New Delhi : 12th May, 2016

N.C.Baheti

(Manager)

Gaurav Jain

(Chief Financial Officer)

Pankaj Kamra

(Company Secretary)

Desh Bandhu Doda

Ratan Chand Jain

Ram Chandra Periwal

Sharda Devi Singhania

Directors



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.

BOOK - POST



▲ Drying Plant



▲ Liquid Milk Packing Plant

IF UNDELIVERED PLEASE RETURN TO:
UMANG DAIRIES LIMITED
GULAB BHAWAN, 3RD FLOOR, 6A, BAHADUR SHAH ZAFAR MARG,
NEW DELHI - 110 002.