

Annual Report 2011-12



UMANG DAIRIES LIMITED





UMANG DAIRIES LIMITED

BOARD OF DIRECTORS

D. B. Doda

R. C. Jain

R. C. Periwal

R. L. Saha

CORPORATE 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. Jyotiba Phule Nagar
Uttar Pradesh
Phone : (05924) 252491 - 4
E-mail : udl@umangdairies.com

AUDITORS

Lodha & Co.
Chartered Accountants

COMPANY SECRETARY

Shuchi Sharma

BANKERS

Punjab National Bank
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 : mas_serv@yahoo.com

UMANG DAIRIES LIMITED



UMANG DAIRIES LIMITED

Admn. Office: Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg,
New Delhi – 110 002

NOTICE

Notice is hereby given that the Nineteenth Annual General meeting of the Members of **UMANG DAIRIES LIMITED** will be held at the Registered Office of the Company at Gajraula – 244235 , Dist. Jyotiba Phule Nagar, Uttar Pradesh on Monday, the 27th August 2012 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the financial year ended 31st March, 2012 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.C. Periwal, who retires by rotation and being eligible , offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as Ordinary Resolution:-

RESOLVED that pursuant to the provisions of section 224 and other applicable provisions of the Companies Act, 1956, M/s. Lodha & Co. , Chartered Accountants (Registration No. 301051E), be and are hereby appointed as Auditors of the Company from the conclusion of the 19th Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration of Rs. 2,00,000/-, excluding service tax as applicable and reimbursement of travelling and other out- of-pocket expenses actually incurred by the said Auditors in connection with the audit.

REGISTERED OFFICE:

Gajraula - Hasanpur Road

Gajraula - 244235

Dist. Jyotiba Phule Nagar, (U.P.)

By order of the Board

Date : 5th May 2012

Shuchi Sharma
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Annual Book Closure of Register of Members and Share Transfer Book: 13.08.2012 to 27.08.2012 (both days inclusive)
3. Resume of Shri R.C. Periwal proposed for reappointment as Director liable to retire by rotation (Item No. 2)
Shri R.C. Periwal is a Post Graduate in Commerce and has multi-company experience of over 47 years in administration with specialization in consumer marketing. He does not hold any Directorship in Board and Membership of Committees of the Board in any other Companies.
Shri R.C. Periwal is holding 2000 equity shares in the Company.

REGISTERED OFFICE:

Gajraula - Hasanpur Road

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Dist. Jyotiba Phule Nagar, (U.P.)

By order of the Board

Date: 5th May 2012

Shuchi Sharma
Company Secretary



UMANG DAIRIES LIMITED

DIRECTORS' REPORT

To the Members

The Directors present the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

(Rs. in Lac)

	2011-12	2010-11
Revenue from Operations and Other Income	15,041.83	10,235.55
Operating Profit/(Loss) (PBIDT)	1,574.20	523.16
Profit/(Loss) before Depreciation (PBDT)	1,550.73	491.77
Net Profit/(Loss)	1,383.02	331.37

OPERATIONS

Drying Plant:

The Company turned out significantly improved results in its operations. Higher capacity utilization, improved product blend, higher volume and value sale resulted in better top and bottom line. Capacity utilization stood at 55% as compared to 39% in the previous year.

Company took several cost compression measures during the years 2009-10 and 2010-11. Full benefit of the measures got reflected in the year under review.

Milk prices continued their upward trend during the first half of the year but showed a significant decline during later part of the year. According to industry estimates, milk production during the year increased by about 4.6% against last decade's average growth of 3.8%.

Ban on export of SMP continued during the year but the Company was able to place its volumes in domestic market.

The Company continued to maintain its leadership position in Premixes for Tea & Coffee vending machines.

Company received "Supplier of the Year" Award 2011 – Private Brands category from Bharti Wal-Mart.

Liquid Milk Packaging Plant:

Capacity utilization during the year stood at 87% as compared to 60% in the previous year. Operational efficiencies were maintained at optimum level.

Industrial relations remained cordial. HRD continued to get the desired attention. Training programmes - in-house and outside - at different levels of employees were pursued on projected lines.

AUDITORS

M/s Lodha & Co., Chartered Accountants, the Auditors of the Company, retire and are eligible for re-appointment at the ensuing Annual General Meeting. The observations of the Auditors in their report on accounts read with the relevant notes are self-explanatory.



DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 your Directors state that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
- ii) the Accounting Policies selected and applied are consistent and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company;
- iii) proper and sufficient care has been taken for 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; and
- iv) the Annual Accounts have been prepared on a going concern basis.

DIRECTORS

Shri R. C. Periwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussions and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of the conditions of Corporate Governance are made a part of this Annual Report.

PARTICULARS OF EMPLOYEES

During the year under review, there were no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY

Details of energy conservation alongwith the other information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 are annexed.

ACKNOWLEDGEMENTS

The Directors wish to thank the Customers, Dealers, Vendors, Bankers, Financial Institutions, Government Authorities and Shareholders for their continued support. They also place on record their appreciation of the hard work put in by the employees at all levels during the period under report.

On behalf of the Board

Place : New Delhi
Date : 5th May 2012

R.C. Periwal
Director
(Chairman of this meeting)



UMANG DAIRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

(a) Energy Conservation

Recommendations arising out of the Energy audit of the Plant are being implemented wherever possible.

(b) Research & Development and Technology Absorption

Activities pertaining to product development were continued.

The Company spent Rs. 0.50 Lac on R&D during the year.

(c) Foreign Exchange Earnings and Outgo

(Rs.in Lac)

Foreign Exchange earned

NIL

Foreign Exchange used

NIL

(d) Particulars of Conservation of Energy

A. Power & Fuel Consumption	2011-2012	2010-2011
1. <u>Electricity</u>		
a) Purchased Units (Kwh in Lac)	87.12	69.92
Total Amount (Rs./Lac)	395.02	319.57
Rate per Unit (Rs.)	4.53	4.59
b) <u>Own Generation</u>		
Through Diesel Generators		
Units (Kwh in Lac)	11.44	6.67
Total Amount (Rs./Lac)	128.69	67.08
Unit per litre of Diesel Oil	3.33	3.39
Cost / Unit (Rs.)	11.25	10.05
2. <u>Fuel</u>		
a) <u>Paddy Husk</u>		
Quantity (MT)	12,198.29	7,529.27
Total Amount (Rs./Lac)	369.38	261.99
Rate / Unit (Rs./MT)	3,028.13	3,479.67
b) <u>Furnace Oil/HSD</u>		
Quantity (MT)	374.14	273.82
Total Amount (Rs./Lac)	141.14	89.17
Rate / Unit (Rs./MT)	37,723.85	32,564.28

B. Consumption per Unit of production

* (Units per thousand Kg. of milk processed).

	DP#	LMP~	Overall 2011-12	Overall 2010-11
Electricity (Kwh)	92.60	36.82	52.05	55.01
<u>Fuel</u>				
Paddy Husk (Kg.)	156.21	29.97	64.42	54.29
Furnace Oil/HSD (Kg.)	7.24	0.00	1.98	1.97

* All Milk Powders and Pure Ghee have common manufacturing process and it is not possible to give separate consumption of Electricity and Steam for these products. Therefore, consumption of Electricity and Fuel has been given per thousand Kg. of Milk processed.

Drying Plant

~ Liquid Milk Plant

UMANG DAIRIES LIMITED



MANAGEMENT DISCUSSIONS AND ANALYSIS INDUSTRY SCENARIO AND OUTLOOK

Dairy Industry in India seems to have caught the attention of domestic and international business alike. Demand for milk based products has outstripped milk production. Milk production continues to increase by 3.5 to 4% YOY and demand is growing at 5 to 6% YOY.

Concerned by likely shortage of milk in coming years, Government of India has launched National Dairy Plan (NDP) in 12th 5 Year Plan. It has been formally launched on 19th of April 2012 and envisages an expenditure of Rs.2242 crores. The project aims to increase the productivity of milch animals and provide India's 70 million small rural milk producers with greater access to the organized milk processing sector. The initiative is largely financed by International Development Association of World Bank and implemented by National Dairy Development Board (NDDB). Anticipated demand for milk is projected to be 150 million tonne by 2016-17 and 200 – 210 million tonne by 2021-22.

SOME KEY FACTS ABOUT INDIAN DAIRY INDUSTRY

- **Per Capita availability of milk (in grams/ day) – 2009-10**

India	World Average
263	279.4
- **Indian Dairy Industry**

Organized	Unorganized
20%	80%
- **Ownership of Dairy**

Private Dairies 532 nos.	Co-operative Dairies 254 nos.	Government Dairies 46 nos.
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- **Regional Distribution of milk production**

North	South	East	West
38%	20%	11%	31%
- **Value of milk output at current prices**
Rs.2400000 million (USD 48 Bn)
- **Productivity**

Indian animal	World Average
987 kg/year	2200 kg/ year

GROWTH OUTLOOK

Indian dairy Industry is growing on a fast track – both horizontally and vertically. Some aggressive players are going for backward integration by creating Dairy Farms with animal population ranging from 50 to 1000. This phenomenon is likely to catch up in coming years.

Many overseas Dairy majors have already put up facilities to manufacture value added products in India. Several more

are doing necessary market survey and exploring to identify local partners for putting up a shop in India.

Organized retail is also growing on a fast track. Dairy products have found a place in most of these outlets. This augurs well for Dairy Industry to diversify into products like UHT Milk, Cheese, Dahi, Yoghurt, Lassi, Paneer, Chhena and Flavoured Milk etc. Growth in organized retail will contribute in a significant manner to the growth of Dairy Industry.

RISKS AND CONCERNS

Due to increasing pressure on the land resources for cultivation of food crop, the area under fodder cultivation is unlikely to go up. It is, therefore, very essential that high yield fodder crop techniques are used to get larger quantity of fodder grown on per unit of land. Due to fodder constraint, increasing number of milch animals is an unviable proposition. Farmers have to be motivated and educated to have more of high yield milch animals. This seems to be the only way to cope up with increased milk demand. Unhygienic and primitive facilities at breeding, rearing and milching stage need significant improvement. Hopefully, this area would be addressed by NDDB under National Dairy Plan.

ADULTERATION & FOOD SAFETY

Most important aspect of milk processing is its purity and wholesomeness. Newspapers are full with reports of adulteration in milk and milk products. Government of India has fortified the present Legislation by a more robust Food Safety Act which will be operative from December 2012. Hopefully, this will help in reducing the menace of adulteration.

CAPACITY UTILISATION

Capacity Utilization of Drying Plant improved from 39% in 2010-11 to 55% in 2011-12. Under Contract Manufacturing arrangements Utilization of Liquid Milk Plant increased from 60% in 2010-11 to 87% in 2011-12. Hopefully, Capacity Utilization in Liquid Milk Plant will be very close to 100% in 2012-13.

MARKETING

The Company continued to market its popular brands WHITE MAGIK, DAIRY TOP and MILK STAR dairy creamers in consumer packs. Company maintained its leadership position in Premixes for Tea & Coffee vending machines.



Umang ghee Brand Activation activity. Consumer contact programme held in various Retail Markets.



UMANG DAIRIES LIMITED

STRENGTHS OF THE COMPANY

RAW MATERIAL

The Company's plant is located in the milk surplus area of western Uttar Pradesh. Over the years, the Company has built up a Village Level Collection (VLC) network including Chilling Centres and collects milk from over 300 villages comprising about 12000 farmers twice a day. The milk so collected is not only of better quality but is also cheaper as compared to the milk purchased from the Contractors. This gives the Company an edge over many other players in the industry. Necessary steps are being taken by the Company to maintain the level of milk procurement through the VLC network despite increasing competition in the milk shed area.

COST COMPETITIVENESS

A number of initiatives taken during the previous year and this year towards cost compression have started giving results. This has helped in compressing the operational cost in the Plant.

HUMAN RESOURCE DEVELOPMENT



Training programme on fire fighting

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 levels 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. To man the operations of liquid milk packaging facility, the Company has employed 62 additional hands out of which 3 are managerial personnel.

SOCIAL OBLIGATIONS

Various community welfare programmes in villages around its Plant have been undertaken by the Company. This includes seminars for educating the villagers, free vaccination to the animals of farmers, free veterinary services and supply of cattle feed to farmers at subsidized rates.

The Company launched a Scheme under which 2 scholarships every year will be given to employee's children. This will enable them to pursue higher studies.

Women literacy campaign started by the Company in the previous year has been further strengthened by extending the activity to some more villages in the vicinity of our Plant.



Women Literacy Campaign organized by the Company

INTERNAL CONTROL SYSTEMS

There is adequate internal control system in place. The Company has appointed an external firm of Chartered Accountants to carry out the internal audits of the Plant. Their audit reports along with the action taken reports thereon are reviewed by the Audit Committee of the Directors.

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 any forward looking statements, on the basis of any subsequent development, information or events.



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:

- (i) The Board of Directors presently consists of four Non-Executive Directors of which two are Independent Directors. Other details are as given hereunder:

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 Clause 49(I) of the Listing Agreement, as two out of the four Directors are independent. Shri Pramod Kapoor is the Manager of the Company u/s 269 of the Companies Act, 1956.

- (ii) Date & Number of Board Meetings held:-
During the year 2011-2012, four Board Meetings were held on 25th May 2011, 6th August 2011, 5th November 2011 and 24th January 2012. 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.
- (iii) The Company already has a Code of Conduct in position for Management Cadre Staff (including Executive Directors). In terms of the Clause 49 of the Listing Agreement 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 (www.umangdairies.com). All the Board Members and Senior Management Personnel have affirmed compliance with the code. This report contains a declaration to this effect signed by Director.

Director	Category	No. of Board Meetings attended during 2011-12	Whether attended last A.G.M. (05.09.2011)	No. of other Directorships and Committee Memberships/ Chairmanships		
				Other Directorships*	Other Committee Memberships **	Other Committee Chairmanships **
Shri D.B. Doda	Non-Executive Non-Independent	4	No	-	-	-
Shri R.C. Jain	Non-Executive Independent	4	Yes	-	-	-
Shri R.C. Periwal	Non-Executive Non-Independent	4	No	-	-	-
Shri R.L. Saha	Non- Executive Independent	4	Yes	-	-	-

* excludes Directorships in Private Ltd Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section 25 Companies.

** only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.



UMANG DAIRIES LIMITED

3. **Audit Committee:** Terms of Reference of the Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956.

The Committee presently consists of Shri R.C. Jain (Chairman), Shri R.L. Saha and Shri R.C. Periwal, as members. The Composition of the Committee is in conformity with Clause 49 II (A) of the Listing Agreement. Four meetings of the Audit Committee were held during the year 2011-2012 as detailed hereunder:

Dates of meetings	No. of members attended
25th May 2011	3
6th August 2011	3
5th November 2011	3
24th January 2012	3

The Manager regularly attends the Committee meeting and Company Secretary acts as Secretary of the Committee. All the Committee meetings were attended by the Statutory Auditor.

4. **Remuneration Paid to the Directors:** Details of remuneration paid during the year 2011-2012 :

The Non - Executive Directors were paid sitting fees of Rs.2,500/- for each meeting of the Board and Rs.1,000/- for each meeting of Audit Committee and Shareholders/ Investors Grievance Committee of the Directors attended by them and the company has paid Rs.64,000/- towards sitting fees to them during the year 2011-2012 .

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

Number of Equity Shares held by Non-Executive Directors: Shri R.C.Periwal (2000 Equity Shares), Shri D.B. Doda (50 Equity Shares) and Shri R.C. Jain (100 Equity Shares)

5. **Shareholders/ Investors Grievance Committee:**

The Committee presently consists of three Directors, namely Shri R.C. Periwal (Chairman), Shri R.C. Jain and Shri R.L. Saha. The Composition of the Committee is in conformity with Clause 49 IV (G) (iii) of the Listing Agreement. Four meetings of the said Committee were held during the year 2011-2012 as detailed hereunder:

Dates of meetings	No. of members attended
25th May 2011	3
6th August 2011	3
5th November 2011	3
24th January 2012	3

Ms. Shuchi Sharma, Company Secretary, is the Compliance Officer.

During the year ended 31st March 2012 , 7 complaints were received, all of which were redressed to the satisfaction of the shareholders. The Board has delegated the power of share transfer to a committee of Directors and the share transfer formalities are attended to as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares.

6. **General Body Meetings:**

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

Year	Location	Date	Time
2008-2009	Umang Dairies Limited Gajraula – Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar U.P. – 244 235	16.09.2009	12.30 P.M.
2009-2010	Same as above	31.08.2010	12.00 Noon
2010-2011	Same as above	05.09.2011	12.00 Noon

(ii) No Special Resolutions were required to be put through postal ballot last year. No Special Resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

(iii) No Special Resolutions were passed in previous 3 Annual General Meetings.

7. **Disclosures:** Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

None

Suitable disclosure as required by Accounting Standard (AS-18) on Related Party Disclosures, has been made in the Annual Report.

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 market, during the last three years.

None

The Company has a risk management system and has laid down procedures 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.

8. **Means of Communication:** Quarterly and annual financial results are normally published in English Newspaper "Business Standard" all India editions and Business Standard, Lucknow Edition in Hindi and are promptly furnished to the Stock Exchange for display on its website. The results are also displayed on the web-site of the company "www.umangdairies.com".

UMANG DAIRIES LIMITED



"Management Discussion & Analysis" forms part of the Annual Report.

9. General Shareholders' Information:

(i) Annual General Meeting:

(a) Date and Time : Monday, 27th August 2012 at 12.30 P.M.

Venue: Gajraula-Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar, U.P. - 244 235

(b) As required under clause 49IV(G), a brief resume and other particulars of the Director retiring by rotation at the aforesaid AGM and seeking re-appointment are given in the notes to the Notice convening the said Meeting.

(ii) **Book Closure:** 13.08.2012 to 27.08.2012 (both days inclusive)

(iii) **Dividend Payment Date:** Not Applicable

(iv) Financial Calendar (Tentative):

Year ending March 31
Annual General Meeting Between June and
for the year ending September, 2013
March 31, 2013

(v) Listing of Equity Shares (Including Security Code):

The Equity Shares of the Company are listed on BSE Limited.

The Company had already paid Listing Fees for the year 2012-2013 to BSE Limited.

Security Code for Company's Equity shares on BSE Limited. (500231).

(vi) Stock Market Price Data and Share Performance:

Monthly high and low quotations at BSE during 2011-2012 are given in the table below:

Month	BSE Limited (Rs.)		BSE Sensex
	High	Low	
2011			
April	17.11	12.11	19135.96
May	17.34	12.01	18503.28
June	17.85	13.35	18845.87
July	30.45	15.90	18197.20
August	30.25	20.10	16676.75
September	37.75	20.00	16453.76
October	38.55	29.60	17705.01
November	44.35	23.55	16123.46
December	31.20	21.60	15454.92
2012			
January	39.00	23.25	17193.55
February	41.65	33.00	17752.68
March	42.50	35.80	17404.20

(Source: www.bseindia.com)

(vii) Share Transfer System:

The transfer / transmission of shares in physical form is normally processed and completed within a period of 15-20 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.

(viii) Distribution of shareholding as on March 31, 2012:

No. of Equity shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 1000	18,488	97.14	26,82,080	12.19
1001 to 10000	490	2.58	14,18,066	6.44
Over 10000	54	0.28	1,79,03,054	81.37
Total	19,032	100.00	2,20,03,200	100.00

(ix) 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 2012, 92.96 % 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.

(x) 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.

(xi) Plant Location:

Umang Dairies Limited

Gajraula- Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar, U.P. - 244 235

(xii) Address for Correspondence:

1. Registrar & Share Transfer Agents:

MAS Services Ltd.
T-34, IIInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi – 110 020
Ph. 011-26387281/82
E-mail: mas_serv@yahoo.com

2. Company Secretary

Umang Dairies Limited.
3rd Floor, Gulab Bhawan,
6A, Bahadur Shah Zafar Marg,
New Delhi – 110 002
Ph. 011-30179100, Fax No. 91-11-23739475
E-mail: umang@jkmil.com



UMANG DAIRIES LIMITED

(xiii) **Exclusive e-mail ID for redressal of investors complaints:**

In compliance of Clause 47(f) of the Listing Agreement, “sharesumang@ikmail.com” is the e-mail ID exclusively for the purpose of registering complaints by investors.

10. Code for Prevention of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Board of Directors of the Company has adopted a Code of Conduct for Prevention

of Insider Trading in the securities of the Company by its employees in terms of Schedule I to the said Regulations.

11. 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 2012.

R.C. Periwal
Director

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To

The Members of Umang Dairies Limited

We have examined the compliance of conditions of Corporate Governance by Umang Dairies Limited for the year ended 31st march 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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.

Place : New Delhi
Date : 5th May 2012

For LODHA & CO.,
Chartered Accountants
N. K. Lodha
Partner
Membership No. 85155
Firm Registration No. 301051E



AUDITORS'REPORT

To the Members of UMANG DAIRIES LIMITED

We have audited the attached Balance Sheet of UMANG DAIRIES LIMITED, as at 31st March 2012, the Profit and Loss Statement and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (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 enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a) We have 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 appears from our examination of those books;

- c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) As per the information and explanations given to us, none of the Directors of the company is disqualified as on 31st March 2012 from being appointed as a director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956. *However, all Directors of the Company are disqualified to be appointed as Director in any other public Company;*
In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Note No. 2.37 and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For LODHA & CO.
Chartered Accountants
N. K. Lodha
Partner
(Membership No. 85155)
Firm Registration No. 301051E

Place : New Delhi
Date : 5th May 2012



UMANG DAIRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date of Umang Dairies Limited for the year ended 31st March 2012)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (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. 2.37) 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 information and explanations given to us, Fixed Assets disposed off during the year were not substantial.
- ii. (a) The inventory of the company (except stocks lying with third parties and in transit), has been physically verified by the Management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. (In respect of stock in process records are updated on physical verification of stock on periodical basis). The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties as covered in the register maintained u/s 301 of the Act. Accordingly, the provisions of clause 4(iii) (b) to (d), (f) & (g) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is internal control system commensurate with the size of the Company and the nature of its business (read with Note No. 2.28 and 2.37) for purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. According to the information and explanations provided by the management and based upon audit procedures performed, there are no contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the Act. Accordingly provisions of clause 4(v)(b) of the order are not applicable.
- vi. 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 58A, 58AA and rules framed thereunder and the directives issued by Reserve Bank of India and other relevant provision of the Act. We have been informed that no order has been passed by the Company Law Board or National Company law Tribunal or the Reserve bank of India or any Court or any other Tribunal in this regard.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
- viii. 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 209(1) (d) of the 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.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other material Statutory dues to the extent applicable with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2012 *except Sales Tax of Rs. 2,33,677/- and Mandi tax Rs.6,23,000/-*.

UMANG DAIRIES LIMITED



- (b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Service Tax, Custom Duty, Wealth Tax and Excise Duty that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Sales Tax and Cess 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 Lac)	Period	Forum where dispute is pending
Sales Tax Act	Sales Tax Demand /Penalty Interest	1.78	1994-95 1998-2000	Sales Tax Tribunal
		41.80	1999-2007	Appellate Authorities
		3.00	1995-96	High Court
UP Krishi Utpadan Mandi Samiti Adhiniyam 1964	Market Fees including Development Cess	162.89	1998-99 2005-06	Tribunal
UP Milk Act	Cess on Milk	69.25	1994-96	High Court

- x. The Company's accumulated losses at the end of the financial year are less than 50% of its net worth. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks, Financial Institutions and Debenture Holders in view of Rehabilitation Scheme sanctioned by BIFR.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society, therefore, the provision of clause 4 (xiii) of the said order are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. On the basis of information and explanations given to us, the Company has not availed any term loans during the year.
- xvii. On the basis of information and explanations given to us and on an overall examination of financial statements, we are of the opinion that, *prima facie*, no funds raised on short term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Act during the year.
- xix. Based on the examination of the documents and records made available and information and explanations given to us, the Company has not issued any debentures during the year.
- xx. The Company has not raised money through public issue during the year.
- xxi. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed about any such instance.

For LODHA & CO.
Chartered Accountants
N. K. Lodha
Partner

(Membership No. 85155)
Firm Registration No. - 301051E

Date : 5th May 2012
Place : New Delhi



UMANG DAIRIES LIMITED

BALANCE SHEET As at 31st March, 2012

(Rs. in Lac)

Particulars	Note No.	Figures as at the end of current reporting period (31.03.2012)	Figures as at the end of previous reporting period (31.03.2011)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2.1	1,459.16	1,459.16
(b) Reserves and surplus	2.2	(342.92)	(1,725.94)
		1,116.24	(266.78)
2 Non-current liabilities			
(a) Long-term borrowings	2.3	413.72	708.72
(b) Other Long term liabilities	2.4	1,083.28	1,015.69
(c) Long-term provisions	2.5	64.42	51.45
		1,561.42	1,775.86
3 Current liabilities			
(a) Short-term borrowings	2.6	289.54	270.10
(b) Trade payables		272.09	327.63
(c) Other current liabilities	2.7	1,190.06	1,441.16
(d) Short-term provisions	2.5	7.76	8.85
		1,759.45	2,047.74
TOTAL		4,437.11	3,556.82
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	2.8		
(i) Tangible assets		1,932.67	1,791.81
(ii) Intangible assets		4.70	-
(iii) Capital work-in-progress		25.22	41.51
(b) Long-term loans and advances	2.9	67.32	28.77
(c) Other non current assets	2.10	1.00	1.00
		2,030.91	1,863.09
2 Current assets			
(a) Inventories	2.11	1,432.52	1,244.40
(b) Trade receivables	2.12	418.18	176.04
(c) Cash and cash equivalents	2.13	440.31	146.22
(d) Short-term loans and advances	2.14	115.19	127.07
		2,406.20	1,693.73
TOTAL		4,437.11	3,556.82

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.K. Lodha
Partner
(Membership No. 85155)
Firm Registration No. – 301051E
New Delhi : 5th May 2012

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors



PROFIT AND LOSS STATEMENT for the Year ended 31.03.2012

(Rs. in Lac)

Particulars		Note No.	Figures for the current reporting period ending 31.03.2012	Figures for the previous reporting period ending 31.03.2011
I.	Revenue from operations	2.15	15,021.72	10,230.20
II.	Other income	2.16	20.11	5.35
III.	Total Revenue		15,041.83	10,235.55
IV.	Expenses:			
	Cost of materials consumed	2.17	11,226.57	8,502.16
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.18	(156.32)	(451.91)
	Employee benefits expense	2.19	507.19	402.42
	Finance costs	2.20	23.47	31.39
	Depreciation and amortization expense	2.8	167.71	160.40
	Other expenses	2.21	1,890.19	1,259.72
	Total expenses		13,658.81	9,904.18
V	Profit before tax		1,383.02	331.37
VI	Tax expense:			
	Current tax		-	-
VII	Profit (Loss) for the period		1,383.02	331.37
VIII	Earnings per equity share:	2.22		
	(1) Basic		6.29	1.51
	(2) Diluted		6.29	1.51

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.K. Lodha

Partner

(Membership No. 85155)

Firm Registration No. – 301051E

New Delhi : 5th May 2012

Manager

Company Secretary

D.B. Doda

R. C. Jain

R. C. Periwal

R. L. Saha

Directors



Significant Accounting Policies and Notes To Accounts

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 notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the companies Act, 1956. Accounting Policies are consistent with the Generally Accepted Accounting Principles.
- 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 is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Continuous process plants as defined in Schedule XIV have been considered on the basis of technical evaluation.
- 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 Account. Premium/discount in respect of forward contracts is recognised 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 P&L Account.
- 1.8 Revenue Expenditure on Research and Development is charged to Profit & Loss Account 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 recognised in the Profit and Loss Account 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 recognised in the Profit and Loss Account.
 - (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 account 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. Contingent Assets are neither recognised nor disclosed in Financial Statements but are included, if any, in the Director's Report.
- 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.

UMANG DAIRIES LIMITED



2.1 SHARE CAPITAL

Particulars	As at 31 March 2012	As at 31 March 2011
	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) Equity Shares :-

- The company has only one class of equity shares having Par value of Rs. 5 per share. Each Shareholder of Equity Share is entitled to one vote per share and also has equal right (after as stated in para (ii) below) in distribution of profit/surplus in proportion to the equity share held by shareholder.
- 1,00,00,000 Equity shares allotted to certain parties at par have a lock in period of 3 years from the date of issue i.e. 28.01.2010

(ii) Preference Shares :-

Pursuant to BIFR Order, 2,08,000 Preference Shares are redeemable on 20.10.2016 and 1,51,000 Preference Shares are redeemable on 30.06.2018. Each shareholder of preference shares is entitled to have a right to vote only on resolutions placed before the company which directly affect the rights attached to his/her preference shares and in proportion as paid up preference share capital bears to the total paid up capital.

Reconciliation of the number of shares outstanding

Particulars	31.03.2012		31.03.2011	
	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 2012	As at 31 March 2011
Accurate finman Services Ltd.	26,25,000	26,25,000
Bengal & Assam Company Ltd.	99,22,965	99,69,965
Juggilal Kamlapat Udyog Ltd.	27,00,000	27,00,000
JK Agri Genetics 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 2012	As at 31 March 2011
T.K.Ruby & Co.	40,000	40,000
Hero Paper Stores	50,000	50,000
Usha Fertiliser Co.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 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
Surplus/(Deficit)		
Opening balance	(1,725.94)	(2,057.31)
Net Profit/(Net Loss) as per the Profit & Loss Statement	1,383.02	331.37
Total	(342.92)	(1,725.94)

2.3 LONG TERM BORROWINGS

Particulars	NON CURRENT		CURRENT MATURITIES	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac	Rs. in lac	Rs. in lac
Secured				
Term loans				
-from other parties	413.72	708.72	335.00	90.00
Less: Amount disclosed under the head Current Liabilities [Note No. 2.7]	-	-	(335.00)	(90.00)
Total	413.72	708.72	-	-

- (a) Loan of Rs. 595 Lac (Previous year Rs. 645 lac) from a body corporate is Secured by a first charge on the fixed assets of the factory located at Gajraula and Rs. 295 lac is payable on 1st Oct.2012 and balance in three equal installments of Rs.100 lac each.
- (b) Loan of Rs. 40 Lac (Previous year Rs. 40 lac) from a body corporate is secured by pari passu charge by way of mortgage on all immovable assets of the Company (both present and future) except immovable assets mortgaged against Housing Loan and hypothecation of Movables (save and except book debt) is payable on demand.
- (c) Housing loan of Rs. 113.72 Lac (Previous year Rs.113.72 lac) is secured by way of mortgage on specified dwelling units and land and is payable in 2015-16 as per the order of BIFR.

2.4 OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
Security Deposits	119.36	66.69
Others (Note no. 2.35)	963.92	949.00
Total	1,083.28	1,015.69

UMANG DAIRIES LIMITED



2.5 PROVISIONS

Particulars	LONG-TERM		SHORT-TERM	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac	Rs. in lac	Rs. in lac
PROVISION FOR EMPLOYEE BENEFITS				
Gratuity (unfunded)	37.51	31.14	0.69	1.76
Leave Encashment (unfunded)	26.91	20.31	0.84	0.86
OTHERS				
Other Provision	-	-	6.23	6.23
Total	64.42	51.45	7.76	8.85

2.6 SHORT-TERM BORROWINGS

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
Secured		
Bank Overdraft (Secured by pledge of fixed deposit with banks-Note no.2.13)	112.87	-
Unsecured		
Inter Corporate Deposits	50.00	193.00
Security deposits	126.67	77.10
Total	289.54	270.10

2.7 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
(a) Current maturities of long-term debt	335.00	90.00
(b) Interest accrued but not due on borrowings	-	0.72
(c) Advance from customers	706.11	1,250.73
(d) Statutory Dues	10.78	13.02
(e) Salary & wages payable	26.29	8.56
(f) Electricity Payable	4.47	32.82
(g) Others Payables	107.41	45.31
Total	1,190.06	1,441.16

2.8 FIXED ASSETS

(Rs. in Lac)

	Particulars	Gross Carrying Amount				Depreciation and amortization				Net Carrying Amount	
		As at April 1, 2011	Additions/ Adjustments during the period	Sales/ Adjustments during the period	As at March 31, 2012	As at April 1, 2011	For the period	Sales/ Adjustment during the period	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
a.	Tangible Assets										
	Land	35.83	-	-	35.83	-	-	-	-	35.83	35.83
	Buildings	1,692.94	46.93	-	1,739.87	378.46	52.37	-	430.83	1,309.04	1,314.48
	Plant and Equipment	2,039.02	244.40	4.70	2,278.72	1,620.42	110.40	0.19	1,730.63	548.09	418.60
	Furniture and Fixtures	39.80	1.38	0.30	40.88	36.18	1.19	0.07	37.30	3.58	3.62
	Vehicles	12.46	18.24	-	30.70	3.10	1.67	-	4.77	25.93	9.36
	Office equipment	58.55	1.65	-	60.20	48.63	1.37	-	50.00	10.20	9.92
	Total (a)	3,878.60	312.60	5.00	4,186.20	2,086.79	167.00	0.26	2,253.53	1,932.67	1,791.81
	Previous Year	3,804.84	84.60	10.84	3,878.60	1,927.34	160.40	0.95	2,086.79	1,791.81	1,877.50
b.	Intangible Assets										
	Computer Software	-	5.41	-	5.41	-	0.71	-	0.71	4.70	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
c.	Capital Work In Progress	41.51	25.22	41.51	25.22	-	-	-	-	25.22	41.51



UMANG DAIRIES LIMITED

2.9 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
Unsecured, considered good		
a. Capital Advances	13.93	-
b. Security Deposits with Govt. authorities and others	53.39	28.77
Total	67.32	28.77

2.10 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
Others		
Fixed Deposit (Pledged with Moradabad Development Authority)	1.00	1.00
Total	1.00	1.00

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

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
a. Raw Materials and components	14.60	5.13
b. Work-in-progress		
- Semi Processed Milk	32.80	35.49
c. Finished goods	1,175.59	1,016.58
d. Stores and spares	209.53	187.20
Total	1,432.52	1,244.40

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

Particulars	As at 31 March 2012	As at 31 March 2011
	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	-	0.05
Considered doubtful	3.97	3.97
Less: Provision for doubtful debts	(3.97)	(3.97)
	-	0.05
<u>Other Trade receivables</u>		
Considered good	418.18	175.99
Total	418.18	176.04

UMANG DAIRIES LIMITED



2.13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
CASH AND CASH EQUIVALENTS		
a. Balances with banks	28.65	103.98
b. Cheques, drafts on hand	0.11	33.37
c. Cash on hand	9.55	8.87
	38.31	146.22
OTHER BANK BALANCES		
- Deposits with original maturity of more than 3 months but less than 12 months (Pledged with banks- Note no.2.6)	402.00	-
- 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	440.31	146.22

2.14 SHORT-TERM LOANS AND ADVANCES

[unsecured considered good, unless otherwise stated]

Particulars	As at 31 March 2012	As at 31 March 2011
	Rs. in lac	Rs. in lac
Considered good		
Income Tax Advances payment	53.58	48.62
Sales Tax/Vat Recoverable	24.69	17.86
Interest receivable	11.05	1.70
Others	25.87	58.89
Considered doubtful		
Others	0.80	0.80
Less: Provision for doubtful advances	(0.80)	(0.80)
Total	115.19	127.07

2.15 Revenue from operations

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
Sale of products		
Ghee	5,160.79	3,732.06
Powder	7,210.06	5,325.80
Others	953.68	51.09
Other operating revenues		
Conversion Charges	1,652.85	1,080.15
Others	44.34	41.10
Total	15,021.72	10,230.20

2.16 OTHER INCOME

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
Interest Income	19.57	4.00
Profit on sale of fixed assets (net)	0.54	0.34
Other non-operating income (net of expenses directly attributable to such income)	-	1.01
Total	20.11	5.35



UMANG DAIRIES LIMITED

2.17 RAW MATERIAL CONSUMED (Indigenous 100%)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
Raw Milk	10,565.21	8,052.33
Sugar	184.13	99.99
Packing Material	455.89	323.18
Others	21.34	26.66
Total	11,226.57	8,502.16

2.18 CHANGE IN INVENTORIES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
Opening Stocks		
Work- in- progress	35.49	54.11
Finished Goods	1,016.58	546.05
	1,052.07	600.16
Closing Stocks		
Work- in- progress	32.80	35.49
Finished Goods	1,175.59	1,016.58
	1,208.39	1,052.07
(Increase)/Decrease in Stocks	(156.32)	(451.91)

2.19 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
(a) Salaries/Wages & Bonus	462.45	361.50
(b) Contributions to -Provident fund & Other Fund	35.42	30.86
(c) Staff welfare and other benefits	9.32	10.06
Total	507.19	402.42

2.20 FINANCE COST

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
Interest expense	20.51	28.80
Other borrowing costs	2.96	2.59
Total	23.47	31.39

2.21 OTHER EXPENSES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
Power & Fuel	1,043.93	768.03
Consumption of stores & spares(100%Indigenous)	218.38	148.99
Insurance	10.23	9.02
Rent	6.49	5.98
Freight and Forwarding charges	182.85	97.29
Rates and Taxes	49.58	2.84
Repair to Machinery	42.03	30.08
Repair to Building	15.90	4.95
Director fees	0.64	0.49
Foreign exchange fluctuation	0.43	0.28
Miscellaneous expenses	319.73	191.77
Total	1,890.19	1,259.72



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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Surplus/(Deficit) for the year (Rs.in lac)		
-Before Extra Ordinary Items	1,383.02	331.37
-After Extra Ordinary Items	1,383.02	331.37
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.)	6.29	1.51
Diluted Earning per share (Rs.)	6.29	1.51

- 2.23 The network of the Company has turned positive during the year ended 31.03.2012
- 2.24 Liability of a Housing loan and Term loan from a body corporate has been recognized to the extent and in terms of BIFR order. Lender of housing loan did not agree with the order of BIFR and filed appeal before the Hon'ble High Court. Hon'ble High Court has passed the order that "They should move an appropriate application before the BIFR seeking suitable modification in sanctioned scheme". Adjudication is pending before BIFR; impact, if any, on this account will be considered on final resolution.
- 2.25 Charges in respect of debentures extinguished pursuant to rehabilitation scheme (The Scheme) sanctioned by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) are in process of satisfaction.
- 2.26 Contingent liabilities in respect of claims disputed/not accepted and not provided for is Rs.305.85 lac as certified by the management (previous year Rs.348 lac). Details thereof are, Sales tax Rs.54.94 lac (previous year Rs. 97.09 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). Interest impact on above, if any, will be considered as and when arise.
- 2.27 (a) 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.
- (b) In view of provisions of the section 115JB (2) [Explanations 1(vii)] MAT provision is not required to be made.
- 2.28 The company is in the process of compiling the additional information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The management is currently in the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). However, in view of the management there was no delay in the payment of dues of MSME parties and the impact of interest, if any that may be payable in accordance with the provisions of the act is not expected to be material. Further to the extent information so far available with the Company the details are as under:
- Principal amount due and remaining unpaid as at 31.03.2012 - Rs. 0.91 Lac (P.Y. - Rs. NIL)
 - Interest amount due and remaining unpaid as at 31.03.2012 - 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 31.03.2012 - Rs. NIL (P.Y. -Rs. NIL)
- 2.29 Research and Development expenditure amounting to Rs.0.50 lac (previous year Rs. 0.22 lac) has been debited to Profit Loss account.



UMANG DAIRIES LIMITED

2.30 EMPLOYEE BENEFITS:

(a) The status of the gratuity and leave encashment as per actuarial valuation on March 31, 2012 is as follows:

(Rs. in lac)

		For the year ended 31st March 2012		For the year ended 31st March 2011	
		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	5.96	6.81	5.36	6.01
b)	Interest cost	2.80	1.74	1.89	1.10
c)	Net actuarial (gain)/ loss recognized in the period	(0.34)	3.14	0.22	0.60
d)	Expenses recognized in the statement of profit & losses	8.42	11.69	7.47	7.71
II	Net Assets/(liability) recognized in the Balance sheet as at March 31, 2012				
a)	Present value of obligation as at the end of the period	38.20	26.81	32.90	20.44
b)	Net asset/(liability) recognized in balance sheet	(38.20)	(26.81)	(32.90)	(20.44)
III	Change in present value of obligation				
a)	Present value of obligation as at the beginning of the period (01/04/2011)	32.90	20.44	26.96	15.68
b)	Interest cost	2.80	1.74	1.89	1.10
c)	Current service cost	5.96	6.81	5.36	6.01
d)	Benefits paid	(3.12)	(5.32)	(1.53)	(2.96)
e)	Actuarial (gain)/loss on obligation	(0.34)	3.14	0.22	0.60
f)	Present value of obligation as at the end of period (31.03.2012)	38.20	26.81	32.90	20.44
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	8.50%		7.00%	
	Future salary Increase	6.50%		5.00%	
	Expected Rate of return on plan assets	-		-	
	Demographic Assumptions:				
	Retirement Age	60 Years		58 Years	
	Mortality Table	LIC (1994-96) duly modified		LIC (1994-96) duly modified	
	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	

- (b) (i) Defined Benefits Plans
Amounts recognised as an expense and included in Note 2.20 item "Salaries, Wages, Bonus" included Rs.11.69 lac (previous year Rs. 7.71 lac) for Leave encashment;
- (ii) Defined Contribution Plans
Amounts recognised as an expense and included in Note 2.20 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.

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

2.32 Considering the prudence and based on the management assessment, no Deferred Tax Asset (net), in accordance with the Accounting Standard - 22 issued by The Institute of Chartered Accountants of India, has been accounted for.

UMANG DAIRIES LIMITED



- 2.33 Conversion charges under Other Operating revenue represent income on account of contract manufacturing activities undertaken during the year.
- 2.34 As stipulated in Accounting Standard on Impairment of Assets (AS -28), 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 the accounts.
- 2.35 (i) Building & capital work in progress includes Rs.959.03 lac(Previous year 928.12 lac) & Rs.Nil (Previous year Rs.20.88 lac) respectively being cost which under an agreement to transfer subject to BIFR Approval, pending which the cost to the extent of Rs.963.92 lac (Previous year Rs. 949.00 lac) has been funded by the other party and included in "Other Long-Term Liabilities".
- (ii) Capital work in progress includes pre-operative expenses,paid on account of legal & professional fee, pending capitalisation amounting to Rs.16.85 lac (Previous year Rs.Nil)
- 2.36 Loans and Advances include loan to employees of Rs.4.50 lac (previous year Rs. 1.29 lac) in the ordinary course of business and as per service rules of the Company. Maximum amount outstanding during the year Rs.5.98 lac (previous year Rs. 8.58 lac).
- 2.37 Balances of certain Debtors,Cans (fixed assets) lying with the third parties & Current Liabilities (including Advance from Customers) and Secured Loans of two parties are in the process of confirmation/reconciliation.In view of necessary controls Company does not expect any material impact on the statement of affairs of the Company .
- 2.38 As per Accounting Standard 18 "Related Party Disclosure" there is no related party identified during the year. Hence, there is no related party transaction during the year which needs to be disclosed.
- 2.39 Estimated amount of contracts remaining to be executed on capital account Rs.126.43 lac (previous year Rs. 7.82 lac), {net of advances Rs13.93 lac (previous year Rs. Nil)}.
- 2.40 Prior period expenses included in respective heads of accounts are Rates & Taxes exp. Rs.46.52(Previous year Rs. 0.15 lac), Prior period incomes included in respective heads are duty drawback Rs.Nil (Previous year Rs.0.60 lac) & Insurance Rs.Nil (Previous year Rs.0.42 Lac).
- 2.41 Expenditure/Earnings in Foreign Currency
- | | 2011-12 | 2010-11 |
|-------------------------------------|---------|---------|
| (a) Earnings in Foreign Currency :- | | |
| F.O.B. Value of exports | - | 427.45 |
| (b) C.I.F. Value of Imports:- | | |
| Components and Spare Parts | - | 0.71 |
- 2.42 Amount paid to Auditors (Including Service Tax) :-

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	Rs. in lac	Rs. in lac
a. Audit Fees	1.69	1.33
b. Tax Audit Fees	0.17	0.17
c. For Other Services	0.54	0.54
d. For Reimbursement of Expenses	0.07	0.07
Total	2.47	2.11

- 2.43 During the year ended 31st.March 2012,the revised Schedule VI notified under the Companies Act 1956,has become applicable to the Company.Thus previous year figures has been reclassified/recasted suitably.The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements except for presentation and disclosures wherever required.

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 : 5th May 2012

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors



UMANG DAIRIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st March, 2012

(Rs. in lac)

	2011-12	2010-11
A. Cash Flow from Operating Activities		
Net Profit (+)/Loss(-) before taxation and extraordinary items	1,383.02	331.37
Adjustments for :		
Depreciation	167.71	160.40
Interest income	(19.57)	(4.00)
Excess Provision of earlier years no longer required(net)	0.04	0.23
Balances Written back (Net)	0.76	8.33
Interest & Finance Charges	23.47	31.39
(Profit)/loss on sale of Fixed Assets (net)	(0.54)	(0.34)
Operating Profit before working capital changes	1,554.89	527.38
(Increase)/ Decrease in Inventories	(188.12)	(494.82)
(Increase) / Decrease in Trade and other Receivables	(240.57)	(6.21)
Increase/ (Decrease) in Trade and Other Payables	(422.68)	335.50
Cash Generated from Operations	703.52	361.85
Direct Tax paid	(4.96)	(16.22)
Net Cash from operating activities	698.56	345.63
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(301.72)	(121.88)
Capital Advances	(13.93)	-
Proceeds from sale of Fixed Assets	5.28	10.23
Interest Received	10.22	5.80
Net Cash from Investing activities	(300.15)	(105.85)
C. Cash Flow from Financing Activities		
Repayment of Borrowings	(193.00)	(100.00)
Short term borrowings	112.87	-
Interest paid	(24.19)	(36.53)
Net Cash used in financing activities	(104.32)	(136.53)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	294.09	103.25
Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year	146.22	42.97
Cash and Cash equivalents being Cash and Bank balances as at the end of the year	440.31	146.22

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 : 5th May 2012

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors

UMANG DAIRIES LIMITED**Registered Office :** Gajraula-Hasanpur Road, Gajraula, Dist. Jyotiba Phule Nagar (U.P.)**ADMISSION SLIP**

Folio No.		DP ID #	
No. of Shares held		Client ID #	

I hereby record my presence at the 19th Annual General Meeting of the Company being held at Gajraula-Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar, (U.P.) on Monday, the 27th August, 2012 at 12.30 pm.

Name of the Member (in block letters)	
Name of the Proxy-holder/ Authorised representative* (in block letters)	

* Strike out whichever is not applicable.

Applicable for investors holding shares in dematerialised form.

Signature of the Member/Proxy/Authorised representative*

- Notes:
1. A Member/Proxy/Authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
 2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the time fixed for the Meeting.

UMANG DAIRIES LIMITED**Registered Office :** Gajraula-Hasanpur Road, Gajraula, Dist. Jyotiba Phule Nagar (U.P.)**PROXY FORM**

Folio No.		DP ID #	
No. of Shares held		Client ID #	

I/We of

..... being member/members of Umang Dairies Limited hereby appoint

Shri/Smt./Km. of

or failing whom Shri/ Smt./Km. of

or failing whom Shri/Smt./Km. of

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Monday, the 27th August, 2012 at 12.30 pm. and at any adjournment thereof.

Signed this day of 2012

Applicable for investors holding shares

Signature (s)

in dematerialised form

Affix
Revenue
Stamp

Note : The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

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