

# T H E P O W E R



ANNUAL REPORT  
2016 - 17



**UMANG DAIRIES LIMITED**



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



## **BOARD OF DIRECTORS**

Ram Chandra Periwal

Sharda Devi Singhania

Ratan Chand Jain

Desh Bandhu Doda

### **ADMINISTRATIVE OFFICE**

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

### **REGISTERED OFFICE**

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

### **AUDITORS**

Lodha & Co.  
Chartered Accountants

### **COMPANY SECRETARY**

Pankaj Kamra

### **BANKERS**

Axis Bank

### **SHARE TRANSFER AGENT**

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



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSIONS AND ANALYSIS

### To the Members,

The Directors have pleasure in presenting the 24<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

(₹ in Lac)

|   | 2016-17 | 2015-16 |
|---|---------|---------|
| Revenue from Operations                             | 20,995  | 18,898  |
| Profit before Finance Cost and Depreciation (PBIDT) | 687     | 1,516   |
| Profit before Depreciation and Tax (PBDT)           | 571     | 1,454   |
| Profit before Tax (PBT)                             | 255     | 1,152   |
| Profit after Tax (PAT)                              | 169     | 750     |
| Surplus brought forward                             | 1,533   | 1,448   |
| Total amount available for appropriation            | 1,702   | 2,198   |
| <b>APPROPRIATIONS:</b>                              |         |         |
| Capital Redemption Reserve                          | 108     | 100     |
| General Reserve                                     | 45      | 300     |
| Dividend (Incl. Tax)                                | -       | 265     |
| Surplus carried forward                             | 1,549   | 1533    |

### DIVIDEND

The Directors have not recommended any dividend for the financial year 2016-17 on equity shares.

### OPERATIONS

The Revenue from operations increased to Rs 20,995 Lac during the year as compared to Rs 18,898 Lac in the previous year, clocking a growth of 11%, however the profitability has been impacted due to unprecedented high procurement prices of milk which has subdued the contributions from our consumer products as the Company could not pass on the increases to the consumer due to stiff competition. The Company was able to develop a market for Umang Dairy Bulk products including SMP and Ghee and were also able to sell at a price allowing us to make good gross margins. The Company kept investing behind retail distribution expansion and up-gradation of distribution infrastructure as well as manpower to help us gain significant volumes in consumer products. We also launched three new products and tested waters in North East & North Bengal markets to fine tune our offering. All the three products, UHT Milk, Canned Paneer & Cow Ghee had a very good acceptance among the consumers and expect to gain wider and deeper distribution coupled with awareness building measures leading to significant volume and market share gains. We also entered the Horeca segment by launching our range of Butter. We propose to add a few more products to get this segment to give us good returns in future.

Company has been 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.

Company maintained its leadership position in Pre-Mix for tea and coffee vending machines. Company also added Hershey's as a customer to its institutional clients and also maintained good relations and business with other significant clients like Coca Cola, Future group etc.



## 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 stays at 90.02%.

During the year, Company collaborated with M/s. LVP Foods Pvt. Ltd. to start contract manufacturing facility of curd/chhach at the Gajraula site. Operation under this facility commenced on 5th April, 2017.

## INDUSTRY SCENARIO

### Indian Dairy Industry

The organised Indian dairy market is Rs. 99,000 crores. It has grown by 13% in 2016 over 2015. According to reliable data, it is highly fragmented. For organised players growth will be driven by consumers switching to packaged milk. Milk is India's single-largest agricultural commodity in value terms and is more than the combined value of paddy and wheat put together. The per capita availability of milk has increased three-folds, from 112 grams per day in 1970-1971 to 337 grams per day in 2016.

This trend is expected to continue in the coming years. As per research agencies, during the period 2015E-2020E, the organised segment is expected to grow at a CAGR of 19.6% as compared to 13.3% for the unorganised segment. This would result in the organised segment accounting for 26% of the total market in 2020. The number of registered units manufacturing dairy products in India has increased by about 23% between 2010-11 and 2014-15.

According to market research, sales of value-added dairy products including lassi and buttermilk have been steadily growing. Volumes of health-based dairy drinks increased by 30% in June 2016 over June 2014. The store base for dairy drinks also increased by 60% in the same period compared to 10% for soft drinks.

## OPPORTUNITIES AND THREATS

### Opportunities

- i. Private Indian dairies, backed by private equity and public funds, are increasingly looking at aggressively expanding the network of their small format parlours to push sales of value added products that ensure better profit margins through modern retail trade as mom-and-pop stores seem less appealing.
- ii. Introduction of government schemes for milk producers & start-ups has helped them to purchase more cattle and start their dairy farms rather than working for someone, or simply selling milk. Now, they can derive various products from milk and sell them in the market to earn more revenue.
- iii. Organisation of the dairy sector by creating private societies in villages has helped the producers to get a fair value of their produce. Many of the unfair trade practices have decreased, and small-scale milk producers whose production went unnoticed earlier are now in records.
- iv. With rising disposable incomes and burgeoning proportion of working women, there will be greater consumption of ready-to-eat, branded Value added Dairy Products like cheese, table butter, flavoured milk, UHT milk, shrikhand, paneer, buttermilk, etc.

### Threats

- i. Climate change and scarcity of water is a major threat to the dairy industry. The water supply is not sustainable and there is no alternative to water. Milk production could go down by 3 million tonnes over the next three years as the average temperatures rise, creating problems of water and availability of green and dry fodder for the cattle.
- ii. Labour cost in rural areas has also increased significantly due to MNREGA. Costs of keeping and maintaining bovine is very high, whereas MNREGA provides easy earning to the rural population.
- iii. With several state governments banning cow slaughter, cattle breeding in India is set to see changes. The cost-benefit economics of cow breeding may prompt farmers to turn to the more financially viable option of buffalo breeding.
- iv. Competition between organised and un-organised sectors is resulting in unhealthy business practices / lowering values (quality/service/ethics).

## GROWTH OUTLOOK

The current milk production in India as of now is 150 Million tonnes, 90% of it comes from rural areas and of this, almost 80% comes from unorganised and backyard farms. The contribution of private co-operative societies is up to 28 million tonnes, which serves



20% of the total Indian population. This trend is likely to change with the influx of serious players who start with a herd size of 50-60 animals and after setting their house in order, they graduate and add up more animals depending upon their investment prowess. With the introduction of commercial measures to increase dairy production promptly like Automated Milk Collection System, computerised milk testing equipments, the next decade is likely to see at least 40% of milk production coming from organized and semi-organised farms. Milk production is expected to increase to 180 million tonnes by 2022. On an average, this will be a rate hike by 6 million tonnes per year, which was 3 million tonnes earlier.

## EXPANSION AND MODERNIZATION PLANS

Company wishes to become a significant player in Dairy & Foods 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. The Company is planning to invest resources behind expanding distribution of the recently launched products, cow ghee, canned paneer, UHT Milk to gain critical volumes and gain Market Share.

Company is also working on a slew of new value added products which are in various stages of development at the R&D. These products will also improve the gross margin profile of the company.

## RISKS & CONCERNS

- (i) The milk availability has been low in the captive area of Umang dairies collection belt this year leading to exceptionally high prices of milk putting undue stress on the profitability. If this trend continues in 2017-18 the profitability will remain under stress.
- (ii) Inadequate milk availability may also lead to unaddressed market demand which may lead to revenue loss as has been the case in the year 2016-17.

## 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 500 villages comprising of about 18000 farmers.

The company plans to increase its collection from VLC system to increase its contribution to the total milk collection. The company plans to start new collection centres and reach out to more no of villages & farmers to achieve the same. The activity will start this year and may end by next year June. We also have empanelled highly reliable and big contractors who can supply milk to us on short notice and their quality is as good as VLC milk. This is to address the need of milk in case of any surge in demand.

## 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 31<sup>st</sup> March 2017 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 2017, 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

Shri D. B. Doda retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

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

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

Shri Diwan Singh, is the Chief Financial Officer of the Company w.e.f. 28<sup>th</sup> March, 2017, consequent upon cessation of Shri Gaurav Jain.

## CORPORATE SOCIAL RESPONSIBILITY

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

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

## AUDITORS

### (a) Statutory Auditors and their Report

M/s Lodha & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a term of 3 (three) consecutive years to hold office from conclusion of the 21st Annual General Meeting (AGM) held in the year 2014 till the conclusion of the 24th AGM of the Company to be held in the year 2017, being the maximum permissible term, since the said firm had been auditors for more than ten consecutive years before commencement of the Companies Act, 2013. Accordingly, the term of M/s Lodha & Co. will end at the forthcoming AGM and the said firm, will therefore, not be eligible for re-appointment as the Auditors of the Company at the said AGM. The Board of Directors wish to place on record its appreciation of the service rendered by M/s Lodha & Co. The observations of the auditors in their report on accounts and the Financial Statements, read with the relevant notes are self-explanatory.

M/s Singhi & Co., Chartered Accountants, are proposed to be appointed as Auditors of the Company to hold the office from the conclusion of the 24<sup>th</sup> AGM to be held in the year 2017 until the conclusion of 29<sup>th</sup> AGM to be held in the year 2022, subject to the approval of the Members at the AGM to be held in the year 2017 and further subject to ratification of the appointment by the members at the respective AGMs. M/s Singhi & Co., Chartered Accountants, have confirmed that their appointment, if made, would be in accordance with Section 141 of the Companies Act 2013 & pursuant to the Companies (Audit and Auditors) Rules 2014 there are no pending proceedings against the firm relating to professional matters of conduct before the Institute of Chartered Accountants of India or before any competent authority or any court & they are holding valid Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### (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 Namu Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial



year 2016-17. 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 31<sup>st</sup> March 2017 is being conducted by M/s Sanjay Kumar Garg & Associates, Cost Accountants and the report will be submitted to the Ministry of Corporate Affairs, Government of India.

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

The Company was forced to temporarily shut down its plant at Gajraula w.e.f. 28th April, 2017 since the Hon'ble National Green Tribunal ("NGT"), after inspection (though Umang Dairies was not inspected at that time), ordered closure of certain units of Gajraula including that of the Company, for suspected disposal of effluents, till proper effluent treatment and disposal was ensured. Upon submission, NGT later passed an order permitting the operations at our plant at Gajraula which were resumed thereat w.e.f. 16th May 2017.

Umang Dairies Gajraula is equipped with a state-of-the-art effluent treatment plan with RO and has a "zero liquid discharge" operation status.

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

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

## CONSERVATION OF ENERGY ETC.

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

## PARTICULARS OF REMUNERATION

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

## CORPORATE GOVERNANCE

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

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report.

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

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





## DEPOSITS

The Company has not taken any deposits from the public.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems 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 : 26<sup>th</sup> May 2017**

**D.B. DODA**

**(Director)**

**R.C. Periwal**

**(Director)**



## ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

ANNEXURE-1

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March 2017

[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                       | <b>Registered office :-</b><br>Gajraula, Hasanpur Road<br>Gajraula -244235<br>Dist. Amroha, Uttar Pradesh<br>Ph. No. : (05924) 252491-2<br>Fax No. : (05924) 252495<br>Email ID:-sharesumang@jkmail.com     |
| 6. | Whether listed company   | Yes   |
| 7. | Name, Address & contact details of Registrar and Transfer Agent, if any. | MAS Services Limited<br>T-34, 2 <sup>nd</sup> Floor, Phase- II<br>Okhla Industrial Area<br>New Delhi – 110 020<br>Ph. No. : (011) 26387281/82/83<br>Fax No. : (011) 26387384<br>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                             | 32.62                              |
| 2.      | Milk powder                                      | 10502                             | 62.42                              |

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

| Category of Shareholders  | No. of Shares held at the beginning of the year<br>(As on 01.04.2016) |              |                 |                   | No. of Shares held at the end of the year<br>(As on 31.03.2017) |              |                 |                   | % Change during the year |
|---|---|--------------|-----------------|-------------------|---|--------------|-----------------|-------------------|--------------------------|
|   | Demat   | Physical     | Total           | % of Total Shares | Demat   | Physical     | Total           | % of Total Shares |                          |
| <b>A. Promoters*</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| <b>(1) Indian</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| a) Individual/ HUF  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| b) Central Govt   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| c) State Govt(s)  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| d) Bodies Corp.   | 16415734  | 0            | 16415734        | 74.61             | 16415734  | 0            | 16415734        | 74.61             | 0                        |
| e) Banks / FI   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| f) Any other  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| <b>Sub-total (A) (1):-</b>  | <b>16415734</b>   | <b>0</b>     | <b>16415734</b> | <b>74.61</b>      | <b>16415734</b>   | <b>0</b>     | <b>16415734</b> | <b>74.61</b>      | <b>0</b>                 |
| <b>(2) Foreign</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| 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                        |
| <b>Sub-total (A) (2):-</b>  | <b>0</b>  | <b>0</b>     | <b>0</b>        | <b>0</b>          | <b>0</b>  | <b>0</b>     | <b>0</b>        | <b>0</b>          | <b>0</b>                 |
| <b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>                     | <b>16415734</b>   | <b>0</b>     | <b>16415734</b> | <b>74.61</b>      | <b>16415734</b>   | <b>0</b>     | <b>16415734</b> | <b>74.61</b>      | <b>0</b>                 |
| <b>B. Public Shareholding</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| <b>1. Institutions</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| 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  | 35000   | 0            | 35000           | 0.16              | 0   | 0            | 0               | 0                 | (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                        |
| <b>Sub-total (B)(1):-</b>   | <b>35800</b>  | <b>15300</b> | <b>51100</b>    | <b>0.23</b>       | <b>800</b>  | <b>15300</b> | <b>16100</b>    | <b>0.07</b>       | <b>(0.16)</b>            |
| <b>2. Non-Institutions</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| <b>a) Bodies Corp.</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| i) Indian   | 185282  | 30300        | 215582          | 0.98              | 236876  | 30300        | 267176          | 1.21              | 0.23                     |
| ii) Overseas  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| <b>b) Individuals</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 2654974   | 1371254      | 4026228         | 18.30             | 2840513   | 1341344      | 4181857         | 19.01             | 0.71                     |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1016904   | 0            | 1016904         | 4.62              | 792647  | 0            | 792647          | 3.60              | (1.02)                   |

\* The total shareholding of Promoters at (A) above includes 64,92,769 Equity Shares (29.51%) as on 1.4.2016, 54,42,769 Equity Shares (24.74%) as on 31.3.2017 and a change of 4.77% during the year pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.



# UMANG DAIRIES LIMITED

| Category of Shareholders                               | No. of Shares held at the beginning of the year<br>(As on 01.04.2016) |                |                 |                   | No. of Shares held at the end of the year<br>(As on 31.03.2017) |                |                 |                   | % Change during the year |
|--|---|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total           | % of Total Shares | Demat   | Physical       | Total           | % of Total Shares |                          |
| c) Others (specify)                                    |   |                |                 |                   |   |                |                 |                   |                          |
| (i) Non Resident Indians/OCB                           | 80180   | 0              | 80180           | 0.36              | 105952  | 0              | 105952          | 0.48              | 0.12                     |
| (ii) Clearing Member                                   | 197472  | 0              | 197472          | 0.90              | 223234  | 0              | 223234          | 1.01              | 0.12                     |
| (iii) Trust  | 0   | 0              | 0               | 0                 | 500   | 0              | 500             | 0.00              | 0.00                     |
| <b>Sub-total (B)(2):-</b>                              | <b>4134812</b>  | <b>1401554</b> | <b>5536366</b>  | <b>25.16</b>      | <b>4199722</b>  | <b>1371644</b> | <b>5571366</b>  | <b>25.32</b>      | <b>0.16</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>    | <b>4170612</b>  | <b>1416854</b> | <b>5587466</b>  | <b>25.39</b>      | <b>4200522</b>  | <b>1386944</b> | <b>5587466</b>  | <b>25.39</b>      | <b>0.00</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | <b>0</b>  | <b>0</b>       | <b>0</b>        | <b>0</b>          | <b>0</b>  | <b>0</b>       | <b>0</b>        | <b>0</b>          | <b>0.00</b>              |
| <b>Grand Total (A+B+C)</b>                             | <b>20586346</b>   | <b>1416854</b> | <b>22003200</b> | <b>100</b>        | <b>20616256</b>   | <b>1386944</b> | <b>22003200</b> | <b>100</b>        | <b>0.00</b>              |

## (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name          | Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2016) |                                  |  | Shareholding at the end of the year (as on 31 <sup>st</sup> March 2017) |                                  |  | % 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                            | -  | 1,09,72,965   | 49.87                            | -  | 4.77                                     |
|         | <b>Total</b>                | <b>99,22,965</b>   | <b>45.10</b>                     | <b>-</b>   | <b>1,09,72,965</b>  | <b>49.87</b>                     | <b>-</b>   |  |

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

| Sl. No.                                |   | Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2016) |                                  | Cumulative Shareholding during the year |                                  |
|--|---|--|----------------------------------|---|----------------------------------|
|  |   | No. of shares  | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>Bengal &amp; Assam Company Ltd.</b> |   |  |                                  |   |                                  |
| 1                                      | At the beginning of the year  | 99,22,965  | 45.10                            | 99,22,965                               | 45.10                            |
|  | Increase in Shareholding due to Inter-se transfer among promoter and promoters group on 20 <sup>th</sup> February 2017. | 10,50,000  | 4.77                             | 1,09,72,965                             | 49.87                            |
|  | At the end of the year i.e., 31.03.2017   |  |                                  | 1,09,72,965                             | 49.87                            |

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

| Sl. No. | Top Ten Shareholders               | Shareholding at the beginning of the year (1 <sup>st</sup> April 2016) |                                  | Cumulative Shareholding at the end of the year (31 <sup>st</sup> March 2017) |                                  |
|---------|------------------------------------|--|----------------------------------|--|----------------------------------|
|         |                                    | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| 1.      | Juggilal Kamlatpat Udyog Ltd*      | 2700000  | 12.27                            | 3850000  | 17.50                            |
| 2.      | Florence Investech Ltd             | 1194965  | 5.43                             | 1194965  | 5.43                             |
| 3.      | Accurate Finman Services Limited** | 2597804  | 11.81                            | 397804   | 1.81                             |
| 4.      | Indianivesh Securities Limited     | -  | -                                | 105374   | 0.48                             |



| Sl. No. | Top Ten Shareholders              | Shareholding at the beginning of the year (1 <sup>st</sup> April 2016) |                                  | Cumulative Shareholding at the end of the year (31 <sup>st</sup> March 2017) |                                  |
|---------|-----------------------------------|--|----------------------------------|--|----------------------------------|
|         |                                   | No. of shares  | % of total shares of the company | No. of shares  | % of total shares of the company |
| 5.      | Sunaina Nareshkumar Saraf         | -  | -                                | 100000   | 0.45                             |
| 6.      | Dr. Ramesh Chimanlal Shah         | -  | -                                | 90000  | 0.41                             |
| 7.      | Vijay Kumar Singh                 | 74100  | 0.34                             | 73950  | 0.34                             |
| 8.      | Ajay Upadhyaya                    | -  | -                                | 70000  | 0.32                             |
| 9.      | Rajesh Kumar Rameshbhai Prajapati | 65500  | 0.30                             | 65500  | 0.30                             |
| 10.     | Kamal Kumar Goyal                 | 58178  | 0.26                             | 58178  | 0.26                             |

\* Date of acquisition of 11,50,000 Equity Shares (5.23%) as informed by the acquirer to the Company is 20<sup>th</sup> February 2017.

\*\* Date of sale of 22,00,000 Equity Shares (10%) as informed by the seller to the Company is 20<sup>th</sup> February 2017.

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

(v) Shareholding of Directors and Key Managerial Personnel:

1. Shri Ratan Chand Jain, Director

| Sl. No. | For each of the Directors and KMP                           | Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2016) |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|--|----------------------------------|---|----------------------------------|
|         |   | No. of shares  | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | <b>Shri Ratan Chand Jain, Director</b>                      |  |                                  |   |                                  |
|         | 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. 31.03.2017                      |  |                                  | 100                                     | 0.0                              |

2. Shri Desh Bandhu Doda, Director

| Sl. No. | For each of the Directors and KMP                           | Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2016) |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|--|----------------------------------|---|----------------------------------|
|         |   | No. of shares  | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | <b>Shri Desh Bandhu Doda, Director</b>                      |  |                                  |   |                                  |
|         | 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. 31.03.2017                      |  |                                  | 50                                      | 0.0                              |

**NOTE:** Smt. Sharda Devi Singhania, Shri Ram Chandra Periwal, Directors of the company and Shri C. Venugopal, Chief Executive Officer and Shri Nemi Chand Baheti, Manager (ceased w.e.f. 10<sup>th</sup> May 2017) and Shri Gaurav Jain, Chief Financial Officer (ceased w.e.f. 27<sup>th</sup> March 2017) and Shri Diwan Singh, Chief Financial Officer (appointed w.e.f. 28<sup>th</sup> March 2017) and Shri Pankaj Kamra, Company Secretary of the company were not holding any shares in the company at the beginning of the year, i.e. as on 1<sup>st</sup> April 2016 and at the end of the year i.e., as on 31<sup>st</sup> March 2017 and hence there was no increase/decrease in their shareholding during the year 2016-17.



**V. INDEBTEDNESS**

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

(₹ in lac)

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount  | 2255.10                             | -                  | -        | 2255.10               |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                          | 11.00                               | -                  | -        | 11.00                 |
| <b>Total (i+ii+iii)</b>                                    | <b>2266.10</b>                      | <b>-</b>           | <b>-</b> | <b>2266.10</b>        |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| • Addition   | 1193.05                             | -                  | -        | 1193.05               |
| • Reduction  | 514.12                              | -                  | -        | 514.12                |
| <b>Net Change</b>  | <b>678.93</b>                       | <b>-</b>           | <b>-</b> | <b>678.93</b>         |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 2934.03                             | -                  | -        | 2934.03               |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                          | 14.69                               | -                  | -        | 14.69                 |
| <b>Total (i+ii+iii)</b>                                    | <b>2948.72</b>                      | <b>-</b>           | <b>-</b> | <b>2948.72</b>        |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(₹ in Lac)

| <b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b> |   |   |              |
|---|---|---|--------------|
| Sl. No.   | Particulars of Remuneration   | Name of MD/WTD/Manager                  | Total Amount |
|   |   | <b>Shri Nemi Chand Baheti - Manager</b> |              |
| 1   | Gross salary  |   |              |
|   | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30.77                                   | 30.77        |
|   | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 2.32                                    | 2.32         |
|   | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                                       | -            |
| 2   | Stock Option/Sweat Equity/Commission  | -                                       | -            |
| 3   | Others:<br>Contribution to Provident Fund and Insurance                             | 1.84                                    | 1.84         |
|   | <b>Total(A)</b>   | <b>34.93</b>                            | <b>34.93</b> |
|   | Ceiling as per Act  | ₹ 168 lacs ^                            |              |

^Based on effective capital of the Company as on 31st March 2016, as per Schedule V to the Companies Act, 2013.





(₹ In lac)

| <b>B. Remuneration to other directors:</b> |   |                           |                          |                     |
|--|---|---------------------------|--------------------------|---------------------|
| <b>Sl. No.</b>                             | <b>Particulars of Remuneration</b>            | <b>Name of Directors</b>  |                          | <b>Total Amount</b> |
| 1.   | Independent Directors                         | Shri Ratan Chand Jain     | Shri Ram Chandra Perival |                     |
|  | • Fee for attending Board/ Committee Meetings | 2.90                      | 3.795                    | 6.695               |
|  | • Commission                                  | -                         | -                        | -                   |
|  | <b>Total (1)</b>                              | <b>2.90</b>               | <b>3.795</b>             | <b>6.695</b>        |
| 2.   | Other Non-executive Directors                 | Smt.Sharda Devi Singhania | Shri Desh Bandhu Doda    |                     |
|  | • Fee for attending Board/ Committee Meetings | 1.20                      | 3.455                    | 4.655               |
|  | • Commission                                  | -                         | -                        | -                   |
|  | <b>Total (2)</b>                              | <b>1.20</b>               | <b>3.455</b>             | <b>4.655</b>        |
|  | <b>Total (B) = (1+2)</b>                      |                           |                          | <b>11.35</b>        |

(₹ In lac)

| <b>C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD</b> |   |  |   |   |  |               |
|--|---|--|---|---|--|---------------|
| <b>Sl. No.</b>   | <b>Particulars of Remuneration</b>  | <b>Key Managerial Personnel</b>  |   |   |  | <b>Total</b>  |
|  |   | <b>Shri C. Venugopal, Chief Executive Officer (01.04.2016 to 31.03.2017)</b> | <b>Shri Gaurav Jain, Chief Financial Officer (01.04.2016 to 27.03.2017)</b> | <b>Shri Diwan Singh, Chief Financial Officer (28.03.2017 to 31.03.2017)</b> | <b>Shri Pankaj Kamra, Company Secretary (01.04.2016 to 31.03.2017)</b> |               |
| 1  | Gross Salary  |  |   |   |  |               |
|  | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 69.10  | 16.56   | 0.29  | 6.91   | 92.86         |
|  | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 6.23   | 0.74  | 0.00  | 0.22   | 7.19          |
|  | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -  | -   | -   | -  | -             |
| 2  | Stock Option/Sweat Equity/Commission  | -  | -   | -   | -  | -             |
| 3  | Others; Contribution to Provident Fund and Insurance                                | 3.30   | 0.76  | 0.02  | 0.34   | 4.42          |
|  | <b>Total</b>  | <b>78.63</b>   | <b>18.06</b>  | <b>0.31</b>   | <b>7.47</b>  | <b>104.47</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2017.



## CORPORATE SOCIAL RESPONSIBILITY REPORT

### I. Company's CSR Philosophy and Belief

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

### II. CSR Policy

The Company has been focussing on inclusive growth and it has been undertaking activities aimed at welfare of the society in the areas pertaining to Dairy 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/CSRPolicy.pdf>

### III. ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017

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

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

The CSR strategy thus identified two key interventions:

- provide services for superior animal breeding & nutritional feeds that generate higher yields per animal and enhanced milk producing life cycle.
- enable formation of women 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 2017 organized by another company. It distributed 200 gm of Umang Ghee to more than 1800 women who participated in this event.

Specific Highlights in each of the activities are provided below:

#### Dairy Interest Groups

- 216 DIG's comprising 2213 women were formed (this includes 75 DIGs formed in the previous year).
- Villages covered 85.
- 151 DIG's were linked to the banks.
- Members of 10 DIG's were provided with first training on five important aspects of group formation viz., why DIGs, monthly meeting, book keeping, bank & credit linkage, & role of DIG leaders.
- 48 DIG's have received revolving fund of ₹ 15000 per DIG from NABARD.
- 5 SHGs have received loan of ₹ 50,000 per SHG
- Approval three projects from NABARD
  - Project for formation and strengthening of 75 SHGs
  - Project for formation and strengthening of 500 SHGs
  - Project for formation and strengthening of five farmers club

#### Adult Education

- 300 women were enrolled
- 262 successfully completed the course.



**Animal Welfare**

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

**Healthcare & Sanitation**

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

Going forward plans to double the number of DIG's to 650 in FY 2017-18 in partnership with NABARD & NRLM have been firmed up.

**2. The Composition of the CSR Committee:**

The CSR Committee comprises of the following Directors:

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

**3. Average Net Profit of the Company for last three financial years: ₹ 1092 Lac.**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 5 above): ₹ 21.83 Lac.**

**5. Details of CSR spent during the financial year**

- a. Total amount to be spent for financial year : ₹ 21.86 Lac
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the financial year is detailed below:

(₹ in Lac)

| 1       | 2  | 3   | 4   | 5   | 6  | 7   | 8   |
|---------|--|---|---|---|--|---|---|
| Sl. No. | CSR Project or Activity identified                                       | Sector in which the project is covered  | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
| 1       | Initiative for Employability & Livelihood enhancement activities (DIG's) | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; | Gajraula, Dist. Amroha, Uttar Pradesh   | 18.99   | 19.37  | 19.37   | Implementing Agency                                 |
| 2       | Adult Literacy   | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;  | Gajraula, Dist. Amroha, Uttar Pradesh   | 2.10  | 1.87   | 1.87  | Implementing Agency                                 |



# UMANG DAIRIES LIMITED

| 1            | 2                                  | 3  | 4   | 5   | 6  | 7   | 8   |
|--------------|------------------------------------|--|---|---|--|---|---|
| Sl. No.      | CSR Project or Activity identified | Sector in which the project is covered   | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
| 3            | Miscellaneous Expenses             | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects; | Gajraula, Dist. Amroha, Uttar Pradesh   | 0.74  | 0.62   | 0.62  | Implementing Agency                                 |
| <b>Total</b> |                                    |  |   | <b>21.83</b>                                    | <b>21.86</b>   | <b>21.86</b>                                      |   |

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

Place : New Delhi

Date : 26<sup>th</sup> May 2017

D.B. DODA

(Director)

R.C. Periwal

Chairman, CSR Committee



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

*[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 **31<sup>st</sup> March, 2017** (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 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations) 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
  - UP Krishi Utpadan Mandi Samiti Adhiniyam, 1964
  - Food Safety and Standards Act, 2006
  - Agricultural and Processed Food Products Export Act, 1986
  - Agricultural Produce (Grading and Marketing) Act, 1937



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

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

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

**I further report that:**

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

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

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

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

**I further report that**, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings and stated in the Directors Report, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, during the audit period, there has been no specific event having effect on affairs of the company, except redemption of 208,000 Preference Shares of ₹ 100 each as per BIFR order on 20.10.2016.

Place: New Delhi  
Date : 11<sup>th</sup> May 2017

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 31<sup>st</sup> March, 2017 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.
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 : 11<sup>th</sup> May 2017

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

#### ANNEXURE – 4

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

#### A) CONSERVATION OF ENERGY:

- I. These steps taken on conservation / alternate source of energy
  - a. Motor Replacement in Exhaust Fan 60HP in place of 75HP. 30,000 KWH saved per annum.
  - b. Alfa Dryer Root Blower replaced with existing one highly efficiently 7.5 HP instead of 20 HP with same parameter. 60,000 KWH saved per annum.
  - c. Nichrome Machine Servo System provided in place of CBC unit, power saved 9000 KWH per annum.
  - d. 10 HP VFD provided in LMP CIP Circuit for supply pump to control water flow and saved power 21,900 KWH per annum.

#### B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:-

Following projects have been initiated, completed and in partly completed during Financial Year 2016-17:-

1. **ETP flow meter :**  
DO meter placed on ETP to check aeration health.
2. **Drying Plant :**  
New Paneer packing Machine commissioned for Paneer dicing.

#### C) Research & Development

The Company spent ₹ 2.66 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 improving quality and cost reduction in existing product basket.

During the year R&D team is working on some new products like:

- a) Gulab Jamun,
- b) Paneer
- c) Other Misc items

#### D) Foreign Exchange Earnings and Outgo

|                         | (₹ in Lac) |
|-------------------------|------------|
| Foreign Exchange earned | 330.78     |
| Foreign Exchange used   | 46.88      |



**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 30<sup>th</sup> June 2016, for the Financial Year 2016-17 ended 31<sup>st</sup> March 2017:**

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17-

| <b>Sl. No.</b> | <b>Directors</b>           | <b>Ratio to median Remuneration*</b> |
|----------------|----------------------------|--------------------------------------|
| 1.             | Shri R.C. Periwal          | 1.53                                 |
| 2.             | Shri D.B.Doda              | 1.39                                 |
| 3.             | Shri R.C.Jain              | 1.17                                 |
| 4.             | Smt. Sharda Devi Singhania | 0.49                                 |

\* Only sitting fee paid to Directors.

- B. The percentage increase in remuneration of each director, chief financial officer, company secretary or manager, in the financial year 2016-17 - The increase in the Financial Year 2016-17 in remuneration of Smt. Sharda Devi Singhania, 33.33%; Sh. R. C. Periwal, No Increase; Sh. D. B. Doda, 1.76%; Sh. R. C. Jain, No Increase; Sh. C. Venugopal, Chief Executive Officer, Not Applicable (Appointed w.e.f. 18<sup>th</sup> January 2016); Sh. N.C. Baheti, Manager, 7.38% (Ceased w.e.f. 10<sup>th</sup> May 2017); Sh. Gaurav Jain, Chief Financial Officer, 15.96% (Ceased w.e.f. 27<sup>th</sup> March 2017); Sh. Diwan Singh, Chief Financial Officer, Not Applicable (Appointed w.e.f. 28<sup>th</sup> March 2017) and Sh. Pankaj Kamra, Company Secretary, Not Applicable (Appointed w.e.f. 11<sup>th</sup> February 2016). 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: 7.34%
- D. The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March 2017:272
- E. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016-17 was 11.5% whereas the increase in the managerial remuneration for the same financial year was 7.38%.
- F. We affirm that the remuneration paid during the year 2016-17 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

On behalf of the Board of Directors

**Place : New Delhi**

**D.B. DODA**

**R.C. Periwal**

**Date : 26<sup>th</sup> May 2017**

**(Director)**

**(Director)**



**CORPORATE GOVERNANCE REPORT**

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

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

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

2. **Board of Directors:**

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

| Name of the Director       | Category                       | No. of Board Meetings attended during 2016-17 | Whether attended last A.G.M. (21.09.2016) | 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                                       | -   | -                             | -                               |
| Shri D. B. Doda            | Non- Executive Non-Independent | 4   | Yes                                       | -   | -                             | -                               |
| Smt. Sharda Devi Singhania | Non- Executive Non-Independent | 4   | No  | -   | -                             | -                               |

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

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

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

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

Shri N. C. Baheti ceased to be the Manager under Company’s Act, 2013 on 10<sup>th</sup> May 2017.



## Date & Number of Board Meetings held:-

Four Board Meetings were held during the year 2016-17, i.e. on 12<sup>th</sup> May 2016, 3<sup>rd</sup> August 2016, 5<sup>th</sup> November 2016 and 6<sup>th</sup> February 2017.

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](http://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).

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

### 3. Separate Meeting of the Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 6<sup>th</sup> February 2017. Shri R.C. Periwal was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

### 4. Familiarisation Programme For Independent Directors:

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

### 5. Performance Evaluation

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

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

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

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

### 6. Audit Committee:

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

The Committee presently consists of three Directors, out of which two are Independent Directors and one is Non-Independent Director. Four meetings of the Audit Committee were held during the year 2016 -17 as detailed hereunder:

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

| Dates of meetings             | No. of members attended |
|-------------------------------|-------------------------|
| 12 <sup>th</sup> May 2016     | 3                       |
| 3 <sup>rd</sup> August 2016   | 3                       |
| 5 <sup>th</sup> November 2016 | 3                       |
| 6 <sup>th</sup> February 2017 | 3                       |

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

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

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

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



**7.1 Nomination and Remuneration Committee:**

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

Two meetings of the Nomination and Remuneration Committee were held during the year 2016-17 as detailed hereunder:

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

| Dates of meetings             | No. of members attended |
|-------------------------------|-------------------------|
| 3 <sup>rd</sup> August 2016   | 3                       |
| 6 <sup>th</sup> February 2017 | 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 | 2                        |
| Shri R.C. Periwal | Member | 2                        |
| Shri D.B. Doda    | Member | 2                        |

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

**7.2 Nomination and Remuneration Policy:**

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

- (i) 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.

- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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 ₹ 11.35 Lacs to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate meeting of Independent Directors), during the financial year 2016-17. Number of Equity Shares of ₹ 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 2016-17 as detailed here under:

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

| Dates of meetings             | No. of members attended |
|-------------------------------|-------------------------|
| 12 <sup>th</sup> May 2016     | 3                       |
| 3 <sup>rd</sup> August 2016   | 3                       |
| 5 <sup>th</sup> November 2016 | 3                       |
| 6 <sup>th</sup> February 2017 | 3                       |

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

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

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

Four investor complaints were received during the financial year ended 31<sup>st</sup> March 2017, 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 31<sup>st</sup> March, 2017, 35 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       |
|-----------|---|------------|------------|
| 2013-2014 | Gajraula Hasanpur Road<br>Gajraula - 244235<br>Distt. Amroha (U.P.) | 22.09.2014 | 11.30 A.M. |
| 2014-2015 | Same as above   | 29.09.2015 | 11.30 A.M. |
| 2015-2016 | Same as above   | 21.09.2016 | 11.30 A.M. |

(ii) None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

(iii) Special Resolutions passed in previous 3 Annual General Meetings:

(a) Special Resolution was passed at the last Annual General Meeting of the Company held on 21<sup>st</sup> September 2016.

(i) Re-appointment of Shri R. C. Jain (DIN: 00165590), as an Independent Director, for a further term of five consecutive years.

(b) No Special Resolution was passed at the Annual General Meeting of the company held on 29<sup>th</sup> September 2015.

(c) At the Annual General Meeting of the Company held on 22<sup>nd</sup> 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. 13<sup>th</sup> May 2014.

(ii) to authorize the Board of Directors to borrow money upto an amount not exceeding ₹ 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 ₹ 50 Crores.

## 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.

(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 7<sup>th</sup> August 2014 has formulated a Vigil Mechanism/ the Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour,





violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

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

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

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

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

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

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

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link is <http://www.umangdairies.com/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

During the year, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of the Listing Regulations.

- (viii) **Corporate Social Responsibility Committee:** The Company has a "Corporate Social Responsibility Committee of Directors" which comprises of three Directors out of which two are Independent Directors. The composition and role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31<sup>st</sup> March 2017 i.e., on 12<sup>th</sup> May 2016 and 6<sup>th</sup> February 2017.

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

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

- 11. **Means of Communication:** Quarterly, half yearly and annual financial results are normally published in English Newspaper Business Standard/Financial Express 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, 27<sup>th</sup> September 2017 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** : 21<sup>st</sup> September 2017 to 27<sup>th</sup> September 2017 (both days inclusive)

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

- (iv) **Financial Calendar** : Year Ending March 31

Annual General Meeting : Between June and for the year ending September 2018 March 31, 2018

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

The annual listing fee for the financial year 2017-18 has been paid to both the aforesaid Stock Exchanges.



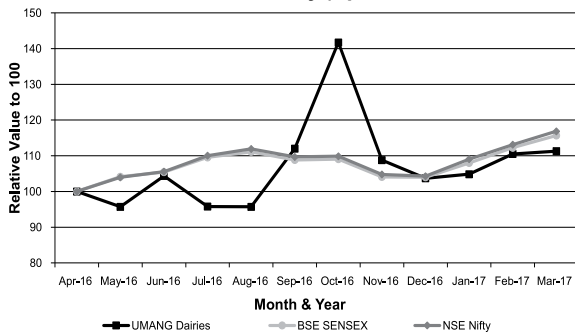
**(vi) Stock Market Price Data:**

| Month       | Stock Market Price on BSE Limited |         |                                 | Stock Market Price on National Stock Exchange of India Ltd. (NSE) |         |                                |
|-------------|-----------------------------------|---------|---------------------------------|---|---------|--------------------------------|
|             | High (₹)                          | Low (₹) | Closing price of BSE Sensex (₹) | High (₹)  | Low (₹) | Closing Price of NSE Nifty (₹) |
| <b>2016</b> |                                   |         |                                 |   |         |                                |
| April       | 76.80                             | 63.15   | 25607                           | 76.60   | 62.05   | 7850                           |
| May         | 72.80                             | 60.85   | 26668                           | 73.50   | 58.40   | 8160                           |
| June        | 79.50                             | 63.60   | 27000                           | 79.80   | 63.65   | 8288                           |
| July        | 75.00                             | 66.50   | 28052                           | 75.00   | 65.75   | 8639                           |
| August      | 73.35                             | 60.75   | 28452                           | 73.45   | 57.40   | 8786                           |
| September   | 87.25                             | 64.00   | 27866                           | 87.50   | 64.10   | 8611                           |
| October     | 101.00                            | 74.00   | 27930                           | 100.60  | 73.75   | 8626                           |
| November    | 99.70                             | 66.05   | 26653                           | 99.90   | 68.00   | 8225                           |
| December    | 81.95                             | 67.50   | 26626                           | 82.00   | 67.40   | 8186                           |
| <b>2017</b> |                                   |         |                                 |   |         |                                |
| January     | 83.80                             | 72.00   | 27656                           | 83.60   | 69.80   | 8561                           |
| February    | 87.00                             | 72.70   | 28743                           | 86.15   | 72.20   | 8880                           |
| March       | 83.00                             | 74.00   | 29621                           | 83.30   | 74.10   | 9174                           |

(Source : www.bseindia.com)

( Source: www.nseindia.com)

**(vii) Umang Dairies Ltd.'s Share Performance vs. BSE Sensex and NSE Nifty (April 2016 to March 2017)**



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

The Equity Shares of the Company are presently tradable in compulsory demat segment. The ISIN No. for Equity Shares of the Company for both the depositories is INE864B01027. As on 31<sup>st</sup> March 2017, 93.70% 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 31<sup>st</sup> March, 2017:**

| Number of Equity Shares held | Shareholders  |               | Shares Held        |               |
|------------------------------|---------------|---------------|--------------------|---------------|
|                              | Number        | %             | Number             | %             |
| 1 to 500                     | 18,873        | 93.72         | 23,24,487          | 10.56         |
| 501 to 1,000                 | 670           | 3.33          | 5,67,022           | 2.58          |
| 1,001 to 5,000               | 502           | 2.49          | 11,22,193          | 5.10          |
| 5,001 to 10,000              | 50            | 0.25          | 3,70,850           | 1.69          |
| Over 10,000                  | 42            | 0.21          | 1,76,18,648        | 80.07         |
| <b>Total</b>                 | <b>20,137</b> | <b>100.00</b> | <b>2,20,03,200</b> | <b>100.00</b> |



**(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31<sup>st</sup> March 2017:**

| Category                       | No. of Equity Shares held | Percentage of Share holding (100%) |
|--------------------------------|---------------------------|------------------------------------|
| Domestic Companies             | 1,66,82,910               | 75.82                              |
| Resident Individuals & Trusts  | 51,98,238                 | 23.62                              |
| FIs, Mutual Funds, Banks       | 16,100                    | 0.07                               |
| Foreign Investors/ FIIs / NRIs | 1,05,952                  | 0.49                               |
| <b>Total</b>                   | <b>2,20,03,200</b>        | <b>100</b>                         |

**(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, II<sup>nd</sup> 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 – 3<sup>rd</sup> 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 31<sup>st</sup> March 2017 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 emat 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 31<sup>st</sup> March 2017.

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.



# UMANG DAIRIES LIMITED

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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 year ended 31<sup>st</sup> March 2017, as stipulated in regulations 17 to 27 and Clause (b) to (i) of regulation 46(2) and Para C, D and Part E 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 the 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 : 26<sup>th</sup> May 2017**



# 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 31<sup>st</sup> March, 2017, 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 31<sup>st</sup> March, 2017, 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 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 explanation 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 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 Companies 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; and
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and based on audit procedures & relying on the management representation we report that the disclosure are in accordance with the books of accounts maintained by the Company. (Refer Note No. 2.29 to the standalone financial statements).

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

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

**Place: New Delhi**  
**Dated: 26<sup>th</sup> May, 2017**



## ANNEXURE 'A' TO THE AUDITOR'S REPORT

**The 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 31<sup>st</sup> March 2017, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except in case of certain assets where the same is in process of updation.
- (b) 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.
- (ii) 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.
- (iii) 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 ('the Act'). Accordingly, we are not offering any comment on the provisions of Clause 3(iii) (a), (b), (c) of the Order.
- (iv) 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.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of 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 any other tribunal in this regard.
- (vi) We have broadly reviewed the books of account required to be maintained by the company pursuant to the rules made by the Central Government for the maintenance of the 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.

- (vii) (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, entry tax, 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 become payable as at 31<sup>st</sup> March 2017 except Mandi Tax of ₹ 6,23,000/-.
- (b) According to the records and information & explanations given to us, there are no dues in respect of Service tax, Duty of Customs, 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 (₹ 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                     |
|                 |                                     | 41.74              | 2010-2015          | Appellate Authorities          |
| Income Tax Act  | Income Tax                          | 311.20             | 2011-12            | CIT(Appeal)                    |
|                 |                                     | 393.93             | 2012-13            | CIT(Appeal)                    |
|                 |                                     | 239.69             | 2013-14            | CIT(Appeal)                    |

- (viii) 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 footnote (a) of Note No. 2.3.
- (ix) 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.

- x) 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.
- (xi) 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.
- (xii) In our opinion and according to information & explanation given to us, the Company is not a chit fund or a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) As per the information and explanations and records made available by the management of the Company and audit procedures 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 the records / details made available, related parties transactions are disclosed as required by the applicable Accounting Standards.

- (xiv) According to the information, explanations and records made available, the Company has not made any preferential allotment or private placement of shares or fully / partly convertible debentures during the year.
- (xv) 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 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.
- (xvi) The Company is not required to be registered under section 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**  
**Dated: 26<sup>th</sup> May, 2017**



## 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 31st March 2017 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 judgment, 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 31<sup>st</sup> March 2017, 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: 26<sup>th</sup> May, 2017**



**BALANCE SHEET**

As at 31<sup>st</sup> March, 2017

(₹ in Lac)

| Particulars |                                    | Note No. | Figures as at the end of current reporting period (31.03.2017) | Figures as at the end of previous reporting period (31.03.2016) |
|-------------|------------------------------------|----------|--|---|
| 1           |                                    | 2        | 3  | 4   |
| <b>I.</b>   | <b>EQUITY AND LIABILITIES</b>      |          |  |   |
|             | <b>1. Shareholders' funds</b>      |          |  |   |
|             | (a) Share capital                  | 2.1      | <b>1,251.16</b>  | 1,459.16  |
|             | (b) Reserves and surplus           | 2.2      | <b>2,256.82</b>  | 2,088.27  |
|             |                                    |          | <b>3,507.98</b>  | 3,547.43  |
|             | <b>2. Non-current liabilities</b>  |          |  |   |
|             | (a) Long-term borrowings           | 2.3      | <b>623.23</b>  | 894.70  |
|             | (b) Deferred tax liabilities (Net) |          | <b>428.16</b>  | 341.05  |
|             | (c) Other Long term liabilities    | 2.4      | <b>1,167.69</b>  | 1,114.31  |
|             | (d) Long-term provisions           | 2.5      | <b>155.26</b>  | 123.99  |
|             |                                    |          | <b>2,374.34</b>  | 2,474.05  |
|             | <b>3. Current liabilities</b>      |          |  |   |
|             | (a) Short-term borrowings          | 2.6      | <b>1,771.64</b>  | 811.29  |
|             | (b) Trade payables                 | 2.6(a)   | <b>1,404.56</b>  | 441.81  |
|             | (c) Other current liabilities      | 2.7      | <b>1,570.62</b>  | 1,769.36  |
|             | (d) Short-term provisions          | 2.5      | <b>924.23</b>  | 1,126.30  |
|             |                                    |          | <b>5,671.05</b>  | 4,148.76  |
|             | <b>TOTAL</b>                       |          | <b>11,553.37</b>   | 10,170.24   |
| <b>II.</b>  | <b>ASSETS</b>                      |          |  |   |
|             | <b>1. Non-current assets</b>       |          |  |   |
|             | (a) Fixed assets                   | 2.8      |  |   |
|             | (i) Tangible assets                |          | <b>5,392.71</b>  | 3,378.16  |
|             | (ii) Intangible assets             |          | <b>21.80</b>   | 0.46  |
|             | (iii) Capital work-in-progress     |          | <b>46.75</b>   | 1,735.26  |
|             | (b) Long-term loans and advances   | 2.9      | <b>181.82</b>  | 102.18  |
|             | (c) Other non current assets       | 2.10     | <b>0.91</b>  | 1.00  |
|             |                                    |          | <b>5,643.99</b>  | 5,217.06  |
|             | <b>2. Current assets</b>           |          |  |   |
|             | (a) Inventories                    | 2.11     | <b>3,923.06</b>  | 3,478.49  |
|             | (b) Trade receivables              | 2.12     | <b>434.77</b>  | 266.49  |
|             | (c) Cash and cash equivalents      | 2.13     | <b>84.50</b>   | 65.92   |
|             | (d) Short-term loans and advances  | 2.14     | <b>1,467.05</b>  | 1,142.28  |
|             |                                    |          | <b>5,909.38</b>  | 4,953.18  |
|             | <b>TOTAL</b>                       |          | <b>11,553.37</b>   | 10,170.24   |

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

**C. Venugopal**

(Chief Executive Officer)

**N.K. Lodha**

Partner

(Membership No. 85155)

Firm Registration No. – 301051E

New Delhi : 26<sup>th</sup> May, 2017

**Diwan Singh**

(Chief Financial Officer)

**Pankaj Kamra**

(Company Secretary)

**Desh Bandhu Doda**

(Director)

**Ram Chandra Periwal**

(Director)

**Ratan Chand Jain**

(Director)

**Sharda Devi Singhania**

(Director)



**PROFIT AND LOSS STATEMENT**

For the Year ended 31<sup>st</sup> March, 2017

(₹ in Lac)

| Particulars  |   | Note No. | Figures as at the end of current reporting period (31.03.2017) | Figures as at the end of previous reporting period (31.03.2016) |
|--------------|---|----------|--|---|
| <b>I.</b>    | <b>Revenue from operations</b>  | 2.15     | <b>20,996.79</b>   | 18,902.53   |
|              | Less: Excise Duty   |          | <b>1.33</b>  | 4.10  |
|              | Revenue from operations (net)   |          | <b>20,995.46</b>   | 18,898.43   |
| <b>II.</b>   | <b>Other income</b>   | 2.16     | <b>47.08</b>   | 43.74   |
| <b>III.</b>  | <b>Total Revenue</b>  |          | <b>21,042.54</b>   | 18,942.17   |
| <b>IV.</b>   | <b>Expenses:</b>  |          |  |   |
|              | Cost of materials consumed  | 2.17     | <b>15,410.21</b>   | 11,884.35   |
|              | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 2.18     | <b>(269.64)</b>  | 848.12  |
|              | Employee benefits expense   | 2.19     | <b>1,521.01</b>  | 1,271.88  |
|              | Finance costs   | 2.20     | <b>116.02</b>  | 62.37   |
|              | Depreciation and amortization expense   | 2.8      | <b>315.62</b>  | 301.28  |
|              | Other expenses  | 2.21     | <b>3,693.66</b>  | 3,421.74  |
|              | <b>Total expenses</b>   |          | <b>20,786.88</b>   | 17,789.74   |
| <b>V.</b>    | <b>Profit before tax</b>  |          | <b>255.66</b>  | 1,152.43  |
| <b>VI.</b>   | <b>Tax expense:</b>   |          | <b>51.96</b>   | 375.14  |
|              | (1) Current Tax   |          | <b>87.11</b>   | 23.67   |
|              | (2) Deferred Tax  |          | -  | 3.24  |
|              | (3) Tax adjustments for Earlier Years   |          | <b>(51.96)</b>   | -   |
|              | (4) MAT Credit entitlement  |          |  |   |
| <b>VII.</b>  | <b>Profit for the period</b>  |          | <b>168.55</b>  | 750.38  |
| <b>VIII.</b> | <b>Earnings per equity share:</b>   |          |  |   |
|              | Earnings per equity share:  | 2.22     |  |   |
|              | (1) Basic   |          | <b>0.77</b>  | 3.41  |
|              | (2) Diluted   |          | <b>0.77</b>  | 3.41  |

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

**C. Venugopal**  
(Chief Executive Officer)

**N.K. Lodha**  
Partner  
(Membership No. 85155)  
Firm Registration No. – 301051E  
New Delhi : 26<sup>th</sup> May, 2017

**Diwan Singh**  
(Chief Financial Officer)

**Pankaj Kamra**  
(Company Secretary)

**Desh Bandhu Doda**  
(Director)

**Ram Chandra Periwal**  
(Director)

**Ratan Chand Jain**  
(Director)

**Sharda Devi Singhania**  
(Director)



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2017

### 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 or 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/attributed 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.





2.1 SHARE CAPITAL

(₹ in lac)

| Particulars  | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| <b>Authorised</b>  |                     |                     |
| 3,00,00,000 (P.Y.- 3,00,00,000) Equity Shares of ₹ 5 each                        | 1,500.00            | 1,500.00            |
| 6,00,000 (P.Y.- 6,00,000) Redeemable Preference shares of ₹ 100 each             | 600.00              | 600.00              |
|  | <b>2,100.00</b>     | 2,100.00            |
| <b>Issued, Subscribed and Paid-up</b>  |                     |                     |
| 2,20,03,200 (P.Y.- 2,20,03,200) Equity Shares of ₹ 5 each                        | 1,100.16            | 1,100.16            |
| 1,51,000 (P.Y.- 3,59,000) Zero coupon Redeemable Preference shares of ₹ 100 each | 151.00              | 359.00              |
| <b>Total</b>   | <b>1,251.16</b>     | 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 ₹ 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.

(ii) Preference Shares :-

Pursuant to BIFR Order, 2,08,000 no. Preference Shares are redeemed 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                                     | 31.03.2017           |                          | 31.03.2016           |                          |
|---|----------------------|--------------------------|----------------------|--------------------------|
|   | 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     | -                    | 2,08,000                 | -                    | -                        |
| Shares outstanding at the end of the year       | 2,20,03,200          | 1,51,000                 | 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 2017 | As at 31 March 2016 |
| Accurate finman Services Ltd. | 3,97,804            | 25,97,804           |
| Bengal & Assam Company Ltd.   | 1,09,72,965         | 99,22,965           |
| Juggilal Kamapat Udyog Ltd.   | 38,50,000           | 27,00,000           |
| Florence Investech Ltd.       | 11,94,965           | 11,94,965           |



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

| Name of Shareholder                 | No. of Shares held  |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | As at 31 March 2017 | As at 31 March 2016 |
| T.K.Ruby & Co.                      | 40,000              | 40,000              |
| Hero Paper Stores                   | -                   | 50,000              |
| Accurate Finman Services Ltd.       | 80,000              | 23,000              |
| Vijay Narain Bhargava               | -                   | 45,000              |
| Hero Multi-Pap Pvt.Ltd.             | -                   | 40,000              |
| Samji Raishi Karia                  | 26,000              | 76,000              |
| Hemlata Dhiraj Karia/Dhiraj D.Karia | -                   | 80,000              |

## 2.2 RESERVES AND SURPLUS

| Particulars  | (₹ in lac)          |                     |
|--|---------------------|---------------------|
|  | As at 31 March 2017 | As at 31 March 2016 |
| <b>Capital Redemption Reserve</b>                        |                     |                     |
| Opening Balance  | 100.00              | -                   |
| Add: Transferred from Surplus                            | 108.00              | 100.00              |
| Closing Balance*   | 208.00              | 100.00              |
| <b>General Reserve</b>                                   |                     |                     |
| Opening Balance  | 455.45              | 155.45              |
| Add: Transferred from Surplus                            | 44.55               | 300.00              |
| Closing Balance  | 500.00              | 455.45              |
| Surplus/(Deficit)  |                     |                     |
| Opening balance  | 1,532.82            | 1,448.06            |
| Net Profit/(Net Loss) as per the profit & Loss Statement | 168.55              | 750.38              |
| Amount available for appropriation                       | 1,701.37            | 2,198.44            |
| <b>Appropriations:-</b>                                  |                     |                     |
| <b>Transferred to Capital Redemption Reserve</b>         | 108.00              | 100.00              |
| Transferred to General Reserve                           | 44.55               | 300.00              |
| Proposed Dividend  | -                   | 220.03              |
| Corporate Dividend tax                                   | -                   | 45.59               |
| Closing Balance  | 1,548.82            | 1,532.82            |
|  | 2,256.82            | 2,088.27            |

\* For redemption of 2,08,000 no. Preference Shares of ₹ 100 each.

## 2.3 LONG TERM BORROWINGS

| Particulars   | NON CURRENT         |                     | CURRENT MATURITIES  |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at 31 March 2017 | As at 31 March 2016 | As at 31 March 2017 | As at 31 March 2016 |
| <b>Secured</b>  |                     |                     |                     |                     |
| <b>Term loans</b>   |                     |                     |                     |                     |
| -Term Loans from Bank   | 583.94              | 890.82              | 488.87              | 507.81              |
| -from other parties   | -                   | -                   | 40.00               | 40.00               |
| <b>Vehicle Loan</b>   | 39.29               | 3.88                | 10.29               | 1.29                |
| Less: Amount disclosed under the head Current Liabilities [Note No. 2.7 ] |                     |                     | 539.16              | 549.10              |
| <b>Total</b>  | 623.23              | 894.70              | -                   | -                   |



- (a) Loan of ₹ 40 lac (Previous year ₹ 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.
- (b) Term Loan of ₹ Nil (Previous year ₹ 41.84 Lac ) from Bank was 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.
- (c) Term Loan of ₹ 84.75 Lac (Previous year ₹ 175.75 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 quarterly installments of ₹ 22.75 lac each commencing from April, 2015.
- (d) Term Loan of ₹ 862.44 Lac (Previous year ₹ 1048.15 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 ₹ 71.88 lac commencing from June, 2016.
- (e) Term Loan of ₹ 125.62 Lac (Previous year ₹ 132.89 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 ₹ 29.15 lac commencing from July, 2016.
- (f) Vehicle Loan of ₹ 49.58 Lac (Previous year ₹ 5.17 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

(₹ in lac)

| Particulars                  | As at 31 March 2017 | As at 31 March 2016 |
|------------------------------|---------------------|---------------------|
| Security Deposits            | 203.77              | 150.39              |
| Others { Note no.-2.36 (i) } | 963.92              | 963.92              |
| <b>Total</b>                 | <b>1,167.69</b>     | <b>1,114.31</b>     |

## 2.5 PROVISIONS

(₹ in lac)

| Particulars                                   | LONG-TERM           |                     | SHORT-TERM          |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at 31 March 2017 | As at 31 March 2016 | As at 31 March 2017 | As at 31 March 2016 |
| <b><u>PROVISION FOR EMPLOYEE BENEFITS</u></b> |                     |                     |                     |                     |
| Gratuity (unfunded)                           | 93.24               | 77.14               | 18.97               | 10.72               |
| Leave Encashment (unfunded)                   | 57.25               | 43.95               | 15.36               | 12.86               |
| Sick Leave                                    | 4.77                | 2.90                | 0.22                | 0.18                |
| <b><u>PROVISION FOR DIVIDEND</u></b>          |                     |                     |                     |                     |
| Provision for Proposed Dividend               | -                   | -                   | -                   | 220.03              |
| Provision for Dividend Tax                    | -                   | -                   | -                   | 44.79               |
| <b><u>PROVISION FOR TAX</u></b>               | -                   | -                   | 883.45              | 831.49              |
| <b><u>OTHERS</u></b>                          |                     |                     |                     |                     |
| Other Provision                               | -                   | -                   | 6.23                | 6.23                |
| <b>Total</b>                                  | <b>155.26</b>       | <b>123.99</b>       | <b>924.23</b>       | <b>1,126.30</b>     |



## 2.6 SHORT-TERM BORROWINGS

(₹ in lac)

| Particulars                          | As at 31 March 2017 | As at 31 March 2016 |
|--------------------------------------|---------------------|---------------------|
| <b>Secured</b>                       |                     |                     |
| Working Capital Borrowing from Bank* | <b>1,771.64</b>     | 811.29              |
| <b>Total</b>                         | <b>1,771.64</b>     | 811.29              |

\* (i) Working Capital Borrowing of ₹1071.64 Lacs (Previous year ₹811.29 Lacs) from Bank is secured by first pari passu charge over the entire movable properties of the Company both present and future and the equitable mortgage over the immovable properties in the name of the Company situated at Gajraula.

(ii) Working Capital demand Loan of ₹700 Lacs (Previous year ₹ Nil) from Bank is secured by subservient charge on all the current assets & movable fixed assets of the Company both present and future.

### 2.6(a) TRADE PAYABLES

(₹ in lac)

| Particulars   | As at 31 March 2017 | As at 31 March 2016 |
|---|---------------------|---------------------|
| (i) Total dues of micro enterprises and small enterprises | <b>73.10</b>        | 58.68               |
| (ii) Others   | <b>1331.46</b>      | 383.13              |
| <b>Total</b>  | <b>1404.56</b>      | 441.81              |

## 2.7 OTHER CURRENT LIABILITIES

(₹ in lac)

| Particulars                              | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| (a) Current maturities of long-term debt | <b>539.16</b>       | 549.10              |
| (b) Interest accrued but not due         | <b>14.69</b>        | 11.00               |
| (c) Advance from customers               | <b>339.57</b>       | 498.46              |
| (d) Statutory Dues                       | <b>49.29</b>        | 32.31               |
| (e) Salary & wages payable               | <b>111.98</b>       | 101.89              |
| (f) Unclaimed dividends *                | <b>34.82</b>        | 25.36               |
| (g) Capital Creditors                    | <b>101.19</b>       | 237.18              |
| (h) Security deposits                    | <b>69.03</b>        | 98.07               |
| (i) Others Payables                      | <b>310.89</b>       | 215.99              |
| <b>Total</b>                             | <b>1,570.62</b>     | 1,769.36            |

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



2.8 FIXED ASSETS

(₹ in lac)

| Particulars                        | Gross Carrying Amount |  |                                      |                      | Depreciation and amortization |                |                                      |                      | Net Carrying Amount  |                      |
|------------------------------------|-----------------------|--|--------------------------------------|----------------------|-------------------------------|----------------|--------------------------------------|----------------------|----------------------|----------------------|
|                                    | As at April 1, 2016   | Additions/ Adjustments during the period | Sales/ Adjustments during the period | As at March 31, 2017 | As at April 1, 2016           | For the period | Sales/ Adjustments during the period | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| <b>a. Tangible Assets</b>          |                       |  |                                      |                      |                               |                |                                      |                      |                      |                      |
| Land                               | 35.83                 | -  | -                                    | 35.83                | -                             | -              | -                                    | -                    | 35.83                | 35.83                |
| Buildings                          | 1,867.23              | 270.07                                   | -                                    | 2,137.30             | 645.55                        | 55.23          | -                                    | 700.78               | 1,436.52             | 1,221.68             |
| Roads                              | 30.29                 | 10.93                                    | -                                    | 41.22                | 24.83                         | 1.45           | -                                    | 26.28                | 14.94                | 5.46                 |
| Plant & Machinery                  | 3,824.76              | 1,867.95                                 | 11.60                                | 5,681.11             | 1,998.65                      | 135.67         | 9.55                                 | 2,124.77             | 3,556.34             | 1,826.11             |
| Laboratory Equipment               | 334.31                | 1.46                                     | 0.75                                 | 335.02               | 181.67                        | 85.61          | 0.46                                 | 266.82               | 68.20                | 152.64               |
| Electric Installation & Equipments | 173.76                | 80.54                                    | -                                    | 254.30               | 128.53                        | 8.48           | -                                    | 137.01               | 117.29               | 45.23                |
| Pipeline & Fittings                | 3.76                  | -  | -                                    | 3.76                 | 1.85                          | 0.18           | -                                    | 2.03                 | 1.73                 | 1.91                 |
| Furniture & Fittings               | 39.31                 | 2.18                                     | 0.55                                 | 40.94                | 33.28                         | 0.79           | 0.23                                 | 33.84                | 7.10                 | 6.03                 |
| Motor Vehicles                     | 65.07                 | 67.81                                    | 38.36                                | 94.52                | 15.37                         | 11.22          | 16.10                                | 10.49                | 84.03                | 49.70                |
| Computers                          | 78.16                 | 45.29                                    | -                                    | 123.45               | 60.98                         | 10.74          | -                                    | 71.72                | 51.73                | 17.18                |
| Office Equipments                  | 45.34                 | 7.82                                     | 0.53                                 | 52.63                | 28.95                         | 4.82           | 0.14                                 | 33.63                | 19.00                | 16.39                |
| <b>Total (a)</b>                   | 6,497.82              | 2,354.05                                 | 51.79                                | 8,800.08             | 3,119.66                      | 314.19         | 26.48                                | 3,407.37             | 5,392.71             | 3,378.16             |
| <b>Previous Year</b>               | 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             |
| <b>b. Intangible Assets</b>        |                       |  |                                      |                      |                               |                |                                      |                      |                      |                      |
| Computer Softwares                 | 5.41                  | 22.77                                    | -                                    | 28.18                | 4.95                          | 1.43           | -                                    | 6.38                 | 21.80                | 0.46                 |
| Previous Year                      | 5.41                  | -  | -                                    | 5.41                 | 3.71                          | 1.24           | -                                    | 4.95                 | 0.46                 | 1.70                 |
| <b>Capital Work In Progress</b>    | -                     | -  | -                                    | 46.75                | -                             | -              | -                                    | -                    | 46.75                | 1,735.26             |

2.9 LONG-TERM LOANS AND ADVANCES

(₹ in lac)

| Particulars  | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| <b>Unsecured, considered good</b>                      |                     |                     |
| a. Capital Advances                                    | 65.87               | 38.69               |
| b. Security Deposits with Govt. authorities and others | 63.99               | 63.49               |
| c. MAT Credit Entitlement                              | 51.96               | -                   |
| <b>Total</b>   | 181.82              | 102.18              |

2.10 OTHER NON-CURRENT ASSETS

(₹ in lac)

| Particulars                          | As at 31 March 2017 | As at 31 March 2016 |
|--------------------------------------|---------------------|---------------------|
| <b>Other</b>                         |                     |                     |
| Fixed Deposit (Held as margin Money) | 0.91                | 1.00                |
| <b>Total</b>                         | 0.91                | 1.00                |



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

(₹ in lac)

| Particulars                     | As at 31 March 2017 | As at 31 March 2016 |
|---------------------------------|---------------------|---------------------|
| a. Raw Materials and components | 84.68               | 20.76               |
| b. Work-in-progress             |                     |                     |
| - Semi Processed Milk           | 86.11               | 100.99              |
| c. Finished goods               | 3,235.01            | 2,950.87            |
| d. Stores and spares            | 517.26              | 405.87              |
| <b>Total</b>                    | <b>3,923.06</b>     | <b>3,478.49</b>     |

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

(₹ in lac)

| Particulars   | As at 31 March 2017 | As at 31 March 2016 |
|---|---------------------|---------------------|
| <b>Trade receivables outstanding for a period exceeding six months from the due date of payment</b> |                     |                     |
| Considered good   | 25.44               | 3.43                |
| Considered doubtful   | 3.97                | 3.97                |
| Less: Provision for doubtful debts  | (3.97)              | (3.97)              |
|   | 25.44               | 3.43                |
| <b>Other Trade receivables</b>  |                     |                     |
| Considered good   | 409.33              | 263.06              |
| <b>Total</b>  | <b>434.77</b>       | <b>266.49</b>       |

## 2.13 CASH AND CASH EQUIVALENTS

(₹ in lac)

| Particulars  | As at 31 March 2017 | As at 31 March 2016 |
|--|---------------------|---------------------|
| <b>CASH AND CASH EQUIVALENTS</b>   |                     |                     |
| a. Balances with banks   | 41.32               | 26.27               |
| b. Cheque in hand  | 0.50                | 10.78               |
| c. Unclaimed dividend account  | 34.82               | 25.36               |
| d. Cash on hand  | 3.07                | 2.60                |
|  | 79.71               | 65.01               |
| <b>OTHER BANK BALANCES</b>   |                     |                     |
| - Deposits with original maturity of more than 3 months but less than 12 months (₹1.14 lac, Prev. Year ₹ 0.91 lac) Held as margin money. | 4.79                | 0.91                |
| - Deposits with original maturity of more than 12 months   | 0.91                | 1.00                |
| Less :- Amount disclosed under the head other non-current assets.  | (0.91)              | (1.00)              |
| <b>Total</b>   | <b>84.50</b>        | <b>65.92</b>        |



2.14 SHORT-TERM LOANS AND ADVANCES (unsecured considered good, unless otherwise stated)

(₹ in lac)

| Particulars                           | As at 31 March 2017 | As at 31 March 2016 |
|---------------------------------------|---------------------|---------------------|
| <b>Considered good</b>                |                     |                     |
| Income Tax Advances payment/TDS       | 1,282.17            | 1,053.35            |
| Sales Tax/Vat Recoverable             | 29.36               | 25.62               |
| Interest receivable                   | 5.68                | 5.35                |
| Export Incentive receivable           | 7.98                | 9.27                |
| Others                                | 141.86              | 48.69               |
| <b>Considered doubtful</b>            |                     |                     |
| Others                                | 3.49                | 3.49                |
| Less: Provision for doubtful advances | (3.49)              | (3.49)              |
| <b>Total</b>                          | <b>1,467.05</b>     | <b>1,142.28</b>     |

2.15 REVENUE FROM OPERATIONS

(₹ in lac)

| Particulars                                      | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| <b>Sale of products</b>                          |                                     |                                     |
| Ghee   | 5,935.68                            | 4,853.25                            |
| Powder   | 11,359.80                           | 9,405.04                            |
| Others   | 902.80                              | 1,384.41                            |
| <b>Other operating revenues</b>                  |                                     |                                     |
| Conversion Charges                               | 2,688.16                            | 3,141.60                            |
| Export Incentive                                 | 3.37                                | 6.41                                |
| Excess provision no longer required written back | 15.18                               | 8.98                                |
| Others   | 91.80                               | 102.84                              |
| <b>Revenue from Operations(Gross)</b>            | <b>20,996.79</b>                    | <b>18,902.53</b>                    |
| Less: Excise duty                                | 1.33                                | 4.10                                |
| <b>Revenue from Operations(Net)</b>              | <b>20,995.46</b>                    | <b>18,898.43</b>                    |

2.16 OTHER INCOME

(₹ in lac)

| Particulars                            | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| Interest Income                        | 5.26                                | 14.37                               |
| Profit on sale of fixed assets         | 14.19                               | 9.23                                |
| Dividend Income on current investments | 1.18                                | 16.20                               |
| Foreign Exchange Fluctuation (net)     | 1.71                                | -                                   |
| Others                                 | 24.74                               | 3.94                                |
| <b>Total</b>                           | <b>47.08</b>                        | <b>43.74</b>                        |

2.17 RAW MATERIAL CONSUMED (Indigenous 100%)

(₹ in lac)

| Particulars      | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|------------------|-------------------------------------|-------------------------------------|
| Raw Milk         | 13,575.46                           | 10,557.43                           |
| Sugar            | 323.57                              | 215.35                              |
| Packing Material | 822.44                              | 871.61                              |
| Others           | 688.74                              | 239.96                              |
| <b>Total</b>     | <b>15,410.21</b>                    | <b>11,884.35</b>                    |



## 2.18 CHANGE IN INVENTORIES

(₹ in lac)

| Particulars                               | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| <b>Opening Stocks</b>                     |                                     |                                     |
| Work- in- progress-Milk                   | 100.99                              | 61.36                               |
| Finished Goods                            | 2,950.87                            | 3,838.17                            |
|   | <b>3,051.86</b>                     | <b>3,899.53</b>                     |
| <b>Closing Stocks</b>                     |                                     |                                     |
| Work- in- progress-Milk                   | 86.11                               | 100.99                              |
| Finished Goods                            | 3,235.01                            | 2,950.87                            |
|   | <b>3,321.12</b>                     | <b>3,051.86</b>                     |
| Add/(Less): Excise Duty Variance on Stock | 0.38                                | (0.45)                              |
| (Increase)/Decrease in Stocks             | <b>(269.64)</b>                     | <b>848.12</b>                       |

## 2.19 EMPLOYEE BENEFIT EXPENSES

(₹ in lac)

| Particulars  | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| (a) Salaries/Wages & Bonus                         | 1,393.95                            | 1,174.75                            |
| (b) Contributions to - Provident fund & Other Fund | 103.74                              | 78.60                               |
| (c) Staff welfare and other benefits               | 23.32                               | 18.53                               |
| <b>Total</b>                                       | <b>1,521.01</b>                     | <b>1,271.88</b>                     |

## 2.20 FINANCE COST

(₹ in lac)

| Particulars           | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|-----------------------|-------------------------------------|-------------------------------------|
| Interest expense      | 109.54                              | 54.88                               |
| Other borrowing costs | 6.48                                | 7.49                                |
| <b>Total</b>          | <b>116.02</b>                       | <b>62.37</b>                        |

## 2.21 OTHER EXPENSES

(₹ in lac)

| Particulars                                    | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| Power & Fuel                                   | 1,670.25                            | 1,668.26                            |
| Consumption of stores & spares(100%Indigenous) | 397.39                              | 327.77                              |
| Insurance                                      | 32.25                               | 30.95                               |
| Rent   | 39.29                               | 29.50                               |
| Freight and Forwarding charges                 | 380.18                              | 353.10                              |
| Rates and Taxes                                | 30.90                               | 15.02                               |
| Repair to Machinery                            | 81.24                               | 65.37                               |
| Repair to Building                             | 8.49                                | 5.84                                |
| Director fees                                  | 11.73                               | 12.02                               |
| Foreign exchange fluctuation (net)             | -                                   | 3.52                                |
| Loss on sale of Assets                         | 2.24                                | 2.18                                |
| CSR Expenses                                   | 22.49                               | 13.74                               |
| Advertisement & Sales Promotion                | 213.11                              | 216.38                              |
| Miscellaneous Expenses                         | 804.10                              | 678.09                              |
| <b>Total</b>                                   | <b>3,693.66</b>                     | <b>3,421.74</b>                     |





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

| Particulars                                      | For the year ended<br>31 March 2017 | For the year ended<br>31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| <b>Surplus/(Deficit) for the year (₹ in lac)</b> |                                     |                                     |
| -Before Extra Ordinary Items                     | <b>168.55</b>                       | 750.38                              |
| -After Extra Ordinary Items                      | <b>168.55</b>                       | 750.38                              |
| Weighted average number of equity share (Nos.)   | <b>2,20,03,200</b>                  | 2,20,03,200                         |
| Nominal value of equity shares (₹)               | <b>5</b>                            | 5                                   |
| Basic Earnings per share (₹)                     | <b>0.77</b>                         | 3.41                                |
| Diluted Earnings per share (₹)                   | <b>0.77</b>                         | 3.41                                |

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 ₹1648.10 Lac as certified by the management (previous year ₹ 1405.96 Lac). Details thereof are, Sales tax ₹ 106.30 Lac (previous year ₹ 145.84 Lac), Mandi fee (U.P.) ₹ 181.66 Lac (previous year ₹ 181.66 Lac), Milk Cess (U.P.) ₹ 69.25 Lac (previous year ₹ 69.25 Lac) and Income Tax ₹ 1290.90 Lac (previous year ₹ 1009.21). 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.

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:

- (i) Principal amount due and remaining unpaid as at 31.03.2017 - ₹ Nil (P.Y. - ₹ 64.60 Lac).
- (ii) Interest amount due and remaining unpaid as at 31.03.2017 - ₹ Nil (P.Y. - ₹ NIL).
- (iii) Interest paid in terms of section 16 of the MSME Act during the year - ₹ NIL (P.Y. - ₹ NIL).
- (iv) 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 - ₹ NIL (P.Y. ₹ NIL ).
- (v) Payment made beyond the appointed day during the year - ₹ NIL (P.Y. - ₹ NIL ).
- (vi) Interest accrued and unpaid as at 31.03.2017 - ₹ NIL (P.Y. - ₹ NIL).

2.26 Research and Development expenditure amounting to ₹ 2.67 Lac (previous year ₹ 1.36 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.

2.29 Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016 are as follows:-

| S.No. | Particulars                                  | SBN     | Amount in (₹)            |           |
|-------|--|---------|--------------------------|-----------|
|       |  |         | Other Denomination Notes | Total     |
| 1     | <b>Closing cash in hand as on 08.11.2016</b> | 144,000 | 19,309                   | 163,309   |
| 2     | (+) Permitted receipts                       | -       | 1,508,766                | 1,508,766 |
| 3     | (-) Permitted payments                       | -       | 1,193,211                | 1,193,211 |
| 4     | (-) Amount deposited in Banks                | 144,000 | -                        | 144,000   |
| 5     | Closing cash in hand as on 30.12.2016        | -       | 334,864                  | 334,864   |



**2.30 EMPLOYEE BENEFITS:**

(a) The status of the gratuity and leave encashment as per actuarial valuation on March 31, 2017 is as follows:

(₹ in lac)

|            |   | For the year ended<br>31 <sup>st</sup> March 2017 |                                     | For the year ended<br>31 <sup>st</sup> March 2016 |                                     |
|------------|---|---|-------------------------------------|---|-------------------------------------|
|            |   | Gratuity<br>(Non-Funded)                          | Leave<br>Encashment<br>(Non-Funded) | Gratuity<br>(Non-Funded)                          | Leave<br>Encashment<br>(Non-Funded) |
| <b>I</b>   | <b>Expense recognized in the statement of profit and loss</b>                       |   |                                     |   |                                     |
|            | a) Current service cost   | 18.19   | 21.85                               | 13.59   | 14.08                               |
|            | b) Interest cost  | 7.03  | 4.55                                | 6.74  | 4.45                                |
|            | c) Net actuarial (gain)/ loss recognized in the period                              | 13.54   | 10.38                               | 3.38  | 2.45                                |
|            | d) Expenses recognized in the statement of profit & losses                          | 38.76   | 36.78                               | 23.71   | 20.98                               |
| <b>II</b>  | <b>Net Assets/(liability) recognized in the Balance sheet as at March 31, 2016.</b> |   |                                     |   |                                     |
|            | a) Present value of obligation as at the end of the period                          | 112.21  | 72.61                               | 87.86   | 56.81                               |
|            | b) Net assets/(liability) recognized in Balance Sheet                               | (112.21)  | (72.61)                             | (87.86)   | (56.81)                             |
| <b>III</b> | <b>Change in present value of obligation</b>  |   |                                     |   |                                     |
|            | a) Present value of obligation as at the beginning of the period (01/04/2016)       | 87.86   | 56.81                               | 84.24   | 55.69                               |
|            | b) Interest Cost  | 7.03  | 4.55                                | 6.74  | 4.45                                |
|            | c) Current service cost   | 18.19   | 21.85                               | 13.59   | 14.08                               |
|            | d) Benefits paid  | (14.41)   | (20.98)                             | (20.09)   | (19.86)                             |
|            | e) Actuarial (gain)/loss on obligation  | 13.54   | 10.38                               | 3.38  | 2.45                                |
|            | f) Present value of obligation as at the end of period (31.03.2017)                 | 112.21  | 72.61                               | 87.86   | 56.81                               |
| <b>IV</b>  | <b>Changes in the fair value of plan assets</b>                                     | -   | -                                   | -   | -                                   |
| <b>V</b>   | <b>The Major Category of Plan assets as a percentage to total plan</b>              | N.A.  | N.A.                                | N.A.  | N.A.                                |
| <b>VI</b>  | <b>Actuarial Assumptions</b>  |   |                                     |   |                                     |
|            | <b>Economic Assumptions:</b>  |   |                                     |   |                                     |
|            | Discounting Rate  | 7.54%   |                                     | 8.00%   |                                     |
|            | Future salary Increase  | 7.00%   |                                     | 7.00%   |                                     |
|            | Expected Rate of return on plan assets  | -   |                                     | -   |                                     |
|            | <b>Demographic Assumptions:</b>   |   |                                     |   |                                     |
|            | Retirement Age  | 60 Years  |                                     | 60 Years  |                                     |
|            | Mortality Table   | IALM (2006-08)                                    |                                     | IALM (2006-2008)                                  |                                     |
|            | <b>Withdrawal Rates</b>   |   |                                     |   |                                     |
|            | <b>Age</b>  | <b>Withdrawal Rate (%)</b>                        |                                     | <b>Withdrawal Rate (%)</b>                        |                                     |
|            | <b>Up to 30 Years</b>   | 3.00  |                                     | 3.00  |                                     |
|            | <b>From 31 to 44 Years</b>  | 2.00  |                                     | 2.00  |                                     |
|            | <b>Above 44 Years</b>   | 1.00  |                                     | 1.00  |                                     |



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

Amounts recognised as an expense and included in Note 2.19 item “Salaries, Wages, Bonus” included ₹ 36.78 Lac (previous year ₹ 20.98 Lac) for Leave encashment and ₹ 38.76 Lac (previous year ₹ 23.71 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

(₹ in lac)

| Particulars                             | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17       |
|---|---------|---------|---------|---------|---------------|
| <b>Gratuity Funded</b>                  |         |         |         |         |               |
| Defined Benefit Obligation              | 50.28   | 62.32   | 84.24   | 87.86   | <b>112.21</b> |
| Fair Value of plan Assets               | -       | -       | -       | -       | -             |
| Surplus/Deficit (Actuarial (Gain)/Loss) | 2.40    | 3.26    | 7.72    | 3.38    | <b>13.54</b>  |
| Expected Adjustment on plan liability   | -       | -       | -       | -       | -             |
| Expected Adjustment on plan Assets      | -       | -       | -       | -       | -             |
| <b>Leave Encashment</b>                 |         |         |         |         |               |
| Defind Benefit Obligation               | 31.80   | 40.60   | 55.69   | 56.81   | <b>72.61</b>  |
| Fair Value of plan Assets               | -       | -       | -       | -       | -             |
| Surplus/Deficit (Actuarial (Gain)/Loss) | 3.87    | 4.26    | 6.87    | 2.45    | <b>10.38</b>  |
| Expected Adjustment on plan liability   | -       | -       | -       | -       | -             |

2.31 Loans and Advances include advances to employees of ₹ 2.47 Lac (previous year ₹ 6.19 Lac) in the ordinary course of business and as per service rules of the Company. Maximum amount outstanding during the year is ₹ 10.91 Lac (previous year ₹ 10.81 Lac).

2.32 Balances of certain Trade Receivables, Trade Payables /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 ₹ 85.10 Lac (previous year ₹ 145.44 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.

2.35 Prior period expenses included in respective heads of accounts includes Rent ₹ 0.16 Lac (Previous year ₹ Nil), Interest ₹ Nil (Previous year ₹ 0.93 Lac), Bonus ₹ Nil (Previous year ₹ 1.22 Lac) and Misc. expenses ₹ 0.33 Lac (Previous year ₹ 4.92 Lac).

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



# UMANG DAIRIES LIMITED

- (ii) Capital work in progress includes Machinery in stock / transit, construction / erection materials and the following pre-operative expenses pending allocation:

(₹ in Lac)

| Particulars                             | As at 31.03.2017 | As at 31.03.2016 |
|---|------------------|------------------|
| Raw Material Consumption                | 68.04            | -                |
| Salary & Allowances                     | 14.33            | 21.43            |
| Staff welfare & other benefits          | 1.47             | -                |
| Legal & professional fee                | 75.48            | 13.15            |
| Rent                                    | 4.58             | 6.00             |
| Insurance                               | 0.48             | 1.83             |
| Processing fees & Interest on Term Loan | 82.29            | 66.92            |
| Electricity Expenses                    | 23.66            | -                |
| Miscellaneous expenditure               | 2.75             | 6.09             |
| <b>Total</b>                            | <b>273.08</b>    | <b>115.42</b>    |
| Less: Power generation during trial run | 47.04            | -                |
| Balance                                 | 226.04           | 115.42           |
| Add: Expenditure upto previous year     | 155.49           | 40.07            |
| Total expenditure                       | 381.53           | 155.49           |
| Less: Transferred to Fixed Assets       | 368.58           | -                |
| Balance carried to next year            | 12.95            | 155.49           |

## 2.37 Expenditure/Earnings in Foreign Currency

(₹ in Lac)

|  | 2016-17 | 2015-16 |
|--|---------|---------|
| (a) Earnings in Foreign Currency :-<br>F.O.B. Value of exports             | 330.78  | 640.81  |
| (b) Expenditure in Foreign Currency<br>C.I.F. value of Import of Machinery | 46.88   | Nil     |

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

(₹ In Lac)

| Particulars                                  | 31 <sup>st</sup> March, 2017 | 31 <sup>st</sup> March, 2016 |
|--|------------------------------|------------------------------|
| Deferred Tax Liabilities                     |                              |                              |
| Related to Fixed Assets                      | 616.66                       | 409.32                       |
| Deferred Tax Assets                          |                              |                              |
| Disallowances under the Income Tax Act, 1961 | 79.20                        | 68.27                        |
| Business Loss                                | 109.30                       | -                            |
| <b>Deferred Tax liability(Net)</b>           | <b>428.16</b>                | <b>341.05</b>                |

## 2.39 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)<sup>^</sup>



**(c) Key Management Personnel (KMP)**

|                                       |                         |
|---------------------------------------|-------------------------|
| Shri C.Venugopal                      | Chief Executive Officer |
| Shri N.C. Baheti                      | Manager                 |
| Shri Gaurav Jain^ ( Till 27.03.2017)  | Chief Financial Officer |
| Shri Diwan Singh^ (w.e.f.-28.03.2017) | Chief Financial Officer |
| Shri Pankaj Kamra^                    | Company Secretary       |

^ In view of Companies Act, 2013

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

(₹ in Lac)

|                               | 2016-17 | 2015-16 |
|-------------------------------|---------|---------|
| Loan Repaid to BACL           | Nil     | 100     |
| Medical Expenses paid to PSRI | 0.41    | 0.04    |

Details of Remuneration to KMP: Chief Executive Officer ₹ 78.63 Lac (previous year- ₹ 15.56 Lac for the period 18.01.2016 to 31.03.2016 and to another Chief Executive Officer ₹ 30.43 Lac for the period 01.04.2015 to 07.08.2015), Manager ₹ 34.93 Lac (previous year- ₹ 29.92 lac), Chief Financial Officer ₹ 18.61 Lac for the period 01.04.2016 to 27.03.2017 (Previous year ₹16.22 Lac), Chief Financial Officer ₹ 0.31 Lac for the period 28.03.2017 to 31.03.2017 (Previous year ₹ Nil), Company Secretary ₹ 7.43 Lac (Previous year ₹ 0.96 Lac for the period 11.02.2016 to 31.03.2016 and to another Company Secretary ₹ 5.74 Lac for the period 01.04.2015 to 30.01.2016). The above said remuneration is excluding provision for Gratuity and Leave Encashment, where the actuarial valuation is done on overall Company basis.

**2.40 Amount paid to Auditors (Including Service Tax) :-**

i) Statutory Auditors:

(₹ In Lac)

| Particulars                      | 31 <sup>st</sup> March, 2017 | 31 <sup>st</sup> March, 2016 |
|----------------------------------|------------------------------|------------------------------|
| a. Audit Fees                    | 3.11                         | 3.09                         |
| b. Tax Audit Fees                | 0.46                         | 0.46                         |
| c. For Other Services            | 1.15                         | 1.15                         |
| d. For Reimbursement of Expenses | 0.09                         | 0.14                         |
| <b>Total</b>                     | <b>4.81</b>                  | <b>4.84</b>                  |

ii) Cost Auditors:

(₹ In Lac)

| Particulars                      | 31 <sup>st</sup> March, 2017 | 31 <sup>st</sup> March, 2016 |
|----------------------------------|------------------------------|------------------------------|
| a. Audit Fees                    | 0.40                         | -                            |
| b. For Reimbursement of Expenses | -                            | -                            |
| <b>Total</b>                     | <b>0.40</b>                  | <b>-</b>                     |

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

As per our report of even date.

for **LODHA & CO.**  
Chartered Accountants

**C. Venugopal**  
(Chief Executive Officer)

**N.K. Lodha**  
Partner  
(Membership No. 85155)  
Firm Registration No. – 301051E  
New Delhi : 26<sup>th</sup> May, 2017

**Diwan Singh**  
(Chief Financial Officer)

**Pankaj Kamra**  
(Company Secretary)

**Desh Bandhu Doda**  
(Director)

**Ram Chandra Perwal**  
(Director)

**Ratan Chand Jain**  
(Director)

**Sharda Devi Singhania**  
(Director)



**CASH FLOW STATEMENT**

For the Year Ended 31<sup>st</sup> March,2017

(₹ in Lac)

|  | 2016-17  | 2015-16    |
|--|----------|------------|
| <b>A. Cash Flow from Operating Activities</b>  |          |            |
| Net Profit (+)/Loss(-) before taxation and extraordinary items                         | 255.66   | 1152.43    |
| Adjustments for :  |          |            |
| Depreciation   | 315.62   | 301.28     |
| Interest income  | (5.26)   | (14.37)    |
| Dividend received  | (1.18)   | (16.20)    |
| Excess Provision of earlier years no longer required(net)                              | (15.18)  | (8.98)     |
| Balances Written back/Written off (Net)  | (24.73)  | (3.94)     |
| Interest & Finance Charges   | 116.02   | 62.37      |
| (Profit)/loss on sale of Fixed Assets (net)  | (11.95)  | (7.05)     |
| Operating Profit before working capital changes  | 629.00   | 1465.54    |
| (Increase)/ Decrease in Inventories  | (444.57) | 823.94     |
| (Increase) / Decrease in Trade and other Receivables                                   | (264.32) | 156.53     |
| Increase/ (Decrease) in Trade and Other Payables                                       | 1032.15  | (389.92)   |
| Cash Generated from Operations   | 952.26   | 2,056.09   |
| Direct Tax paid  | (228.82) | (555.18)   |
| Net Cash from operating activities   | 723.44   | 1,500.91   |
| <b>B. Cash Flow from Investing Activities</b>  |          |            |
| Purchase of Fixed Assets including CWIP  | (742.01) | (1,714.31) |
| Capital Advances   | (27.18)  | 118.96     |
| Proceeds from sale of Fixed Assets   | 37.26    | 38.87      |
| Dividend received  | 1.18     | 16.20      |
| Interest Received  | 4.93     | 14.22      |
| Net Cash from Investing activities   | (725.82) | (1,526.06) |
| <b>C. Cash Flow from Financing Activities</b>  |          |            |
| Redemption of Pref. Share  | (208.00) | -          |
| Dividend Paid (Including Dividend Tax)   | (255.36) | (254.89)   |
| Repayment of Borrowings  | (514.12) | (372.60)   |
| Proceeds/(Repayment) of Short term borrowings  | 960.35   | (279.12)   |
| Long term borrowings   | 232.71   | 1,052.68   |
| Interest paid  | (194.62) | (124.22)   |
| Net Cash used in financing activities  | 20.96    | 21.85      |
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C)                           | 18.58    | (3.29)     |
| Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year | 65.92    | 69.21      |
| Cash and Cash equivalents being Cash and Bank balances as at the end of the year       | 84.50    | 65.92      |

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

As per our report of even date.

for **LODHA & CO.**

Chartered Accountants

**C. Venugopal**

(Chief Executive Officer)

**N.K. Lodha**

Partner

(Membership No. 85155)

Firm Registration No. – 301051E

New Delhi : 26<sup>th</sup> May, 2017

**Diwan Singh**

(Chief Financial Officer)

**Pankaj Kamra**

(Company Secretary)

**Desh Bandhu Doda**

(Director)

**Ram Chandra Periwal**

(Director)

**Ratan Chand Jain**

(Director)

**Sharda Devi Singhania**

(Director)



## Corporate Social Responsibility



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



← Awards from Mother Dairy

## Milk Procurement



Milk Collection Hygiene and Quality Assurance Training at VLCs



**LIQUID MILK  
PACKING PLANT**



**DRYING PLANT**



**CURD PLANT**



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**UMANG DAIRIES LIMITED  
GULAB BHAWAN, 3RD FLOOR, 6A,  
BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110002**