REPORT OF THE BOARD OF DIRECTORS OF
CREAMLINE DAIRY PRODUCTS LIMTIED (CDPL)

CORPORATE IDENTITY NUMBER (CIN): U15201TG1986PLC006912

TO THE MEMBERS

Your Directors are pleased to present the 32nd Board's Report of the Company along with Audited Financial Statements for the Financial Year ended March 31st, 2019.

FINANCIAL SUMMARY / HIGHLIGHTS OF THE COMPANY

The Audited Balance Sheet of your Company as at March 31st, 2019, the Statement of Profit and Loss account and Cash Flow Statement for the Financial Year ended as on that date and the report of the Auditors thereon are being circulated with this Report. The salient features of the financial results are as follows:

(Rs. In Lakhs)

PARTICULARS	**2018-19**	2017-18
Sales and Other Income	**116434.56**	116,025
Earnings before Interest, Depreciation and Tax (EBITDA)	**4267.90**	3,513
Interest and Finance Charges	**204.53**	278
Depreciation	**2059.63**	1,818
Profit Before Tax / Extraordinary Item(s)	**2003.73**	1,417
Profit After Tax	**1297.92**	929
Other Comprehensive Income	**-38.79**	(93)
APPROPRIATIONS		
Surplus Brought forward	**11293.58**	10,867
Amount transferred to General Reserve	**0.00**	--
Dividend	**-339.74**	(340)
Taxes on dividend	**-69.83**	(69)
Surplus Carried to Balance Sheet	**12143.14**	11,294

REVIEW OF OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY AND ITS SUBSIDIARY

REVIEW OF OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY:

Your Directors express their pleasure that during the Financial Year 2018-19 under review, your Company has achieved a Revenue of Rs. **116434.56** lakhs. Your Company has achieved Profit before Tax (PBT) of Rs. **2003.73** lakhs for the Financial Year 2018-19 as against the PBT of Rs. 1417.00 lakhs during the year 2017-18.

CURRENT OPERATIONS & FUTURE PROJECTIONS

Milk Procurement:

We started the year with an overhang of huge butter inventory coupled with very bearish butter price sentiments; this almost set the tone for the procurement in FY'19.

We curtailed almost all tie-up milk suppliers (who usually have a year-long contract) and kept the gap / buffer between sales and procurement slightly larger to be met with procurement of skimmed milk from over-the-counter / short-term supply arrangements.

We brought down the composition of Buffalo Milk in the milk sold from 38 % in FY'18 to 30 % in FY'19 towards the goal of generating lesser butter; since we did not want to add to the already huge butter inventory. We also brought down the procurement cost by almost 8 % y-o-y thus saving significantly and also to reduce the raw milk cost which is almost 75 to 80% of the cost of production.

We enforced tighter lean-to-flush ratio for the Buffalo Milk procured including that of Associated Milk Chilling Centers; we also experimented with selling the surplus buffalo milk procured in flush season to interested buyers an example being Krishna Milk Union – thus, we tried to strike a balance between keeping the procurement volume under control during flush season and not harming the vendor base so much that the procurement during lean season would be at risk.

Significant process and infrastructure led improvements in milk procurement and food safety & hygiene at CCs yielded a jump of 11 minutes in MBRT from 95 minutes to 106 minutes y-o-y.

We accepted and implemented the A.T.Kearney recommendations on rationalisation and improving the efficiencies. We shut 17 chilling centers and ended FY'19 with 102 chllling centers – even with 10 % lesser procurement than budget, we increased capacity utilisation in chilling centers from 56 % to 58 % y-o-y.

We stabilised and scaled up the Direct Farmer Procurement model with the aid of Smart AMCU, an IoT based technology from Stellapps Technologies Ltd., - we added 373 villages / centers under this model to the 189 we had while exiting FY'18. and had laid a strong foundation for integrating it with other farmer support services viz., artificial insemination, loans and insurance, training etc., in the times ahead. We started the LSL sales with 20 MT ghee in 6 months.

Marketing Front:

In the marketing front, there was an increase in Sales of both Milk as well as Value added Milk products. In value terms, the Liquid Milk sales decreased by 1.3%, the Curd segment grew by 3.8%, flavored milk by 33.9% and Paneer by 22.7%.

The Value added products constituted 25.10% in the total turnover of the Company during the year 2018-19, increased by 23.10% as compared to 2017-18. The Company undertook several measures in maximizing the Brand Image through several ATL & BTL advertisement campaigns to obtain premium positioning.

The Company's ambition is to grow sales faster than the market with more emphasis on the Value Added product range. It is also proposed to make Jersey a preferred dairy brand amongst consumers and aggressively drive our distribution. The Company continued to support brand **"JERSEY"** through Curd & Milkshake campaign across AP, TS and Tamil Nadu on the promise of taste and health. Jersey continued its digital journey in 2018-19 across leading social and search platforms like Facebook & Google. Further, it launched UHT range of products including Thickshake, Buttermilk, Lassi with a 360 degree media support as well as re-launching Flavoured Milk in consumer friendly packs. It also launched premium Ice-cream '***Select***' range and Flavoured Yogurt range.

During the year under review, the Company's new Manufacturing facility with 1.00 Lakhs liters per day capacity, has been commissioned successfully at Batajangalapalem Village, Sabbavaram Mandal, Visakhapatnam District, Andhra Pradesh.

REVIEW OF OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY'S SUBSIDIARY, VIZ., NAGAVALLI MILKLINE PRIVATE LIMITED:

Merger of Nagavalli Milkline Private Ltd. (NMPL), Creamline Dairy Products Limited (CDPL):

During the year under review the Board of Directors of Subsidiary Company Nagavalli Milkline Private Ltd. (NMPL), Creamline Dairy Products Limited (CDPL) approved the proposal to merge the NMPL with CDPL. Scheme of Amalgamation has been filed before The National Company Law Tribunal (NCLT).

NCLT vide its order dated 24th December, 2018 ordered for convening the meetings of Equity Shareholders and Unsecured Creditors of Transferor company viz. CDPL on 2nd February, 2019. The meetings were duly convened and conducted.

Post NCLT convened meetings, A joint company petition has been filed by the NMPL and CDPL before the NCLT for approval of the Scheme. NCLT vide its order dated 14th March,2019 order for serving the notices on the Regulatory Authorities viz. ROC & RD. The said notice have been served and the next hearing date has been fixed on 29th April, 2019.

CHANGE IN NATURE IN THE BUSINESS

During the year under review, there is no change in the nature of Business.

DIVIDEND

Your Directors have recommended a Final Dividend for the Financial Year 2018-19 at the rate of 30%, (Thirty per cent) i.e. Rs.3.00.00/- (Rupees Three Only) per Equity Share of Rs.10/- each subject to approval of the Shareholders at the ensuing Annual General Meeting.

The Dividend will be paid to Shareholders whose names appear in the Register of Members of the Company as on date of AGM i.e. on 24th July,2019, in respect of shares held in dematerialized form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited as the beneficial owners as on that date.

TRANSFER TO RESERVES

The Board of Directors proposes to transfer Rs. NIL, to the General Reserve in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public, i.e., deposits covered under Chapter V of the Companies Act, 2013 [deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014] and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

There is no dividend remaining unpaid or unclaimed for a period of seven years, which needs to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013.

SUBSIDIARIES/ HOLDING, JOINT VENTURES OR ASSOCIATE COMPANIES:

During the year under review, the Board of directors of the Company (CDPL) and its subsidiary company Viz. Nagavalli Milkline Private Limited (NMPL) have decided to merger NMPL with CDPL. The scheme of amalgamation has been filed with Honorable National Company Law Tribunal (NCLT) and the matter is pending before the NCLT.

Further, keeping in view of the procedural delays, the Board of Directors of Both the companies have decided to change the appointed of amalgamation from 01-04-2018 to 01-04-2019.The amended scheme of amalgamation has also been filed with the NCLT.

The matter is under consideration of the NCLT.

GODREJ AGROVET LIMITED (HOLDING COMPANY)

Godrej Agrovet Limited is the Holding Company of our Company which is, *inter-alia*, engaged in the business of manufacture and marketing of Animal Feeds, Agricultural Inputs and Oil Palm. The shareholding of Godrej Agrovet Limited in our Company as on 31st March, 2019 was 51.91 % [i.e. 58,79,008 (Fifty Eight Lakh Seventy Nine Thousand and Eight) Equity Shares of Face Value of Rs.10/- each] of the Paid-up Equity Share Capital of the Company.

SUBSIDIARY COMPANY

Your Company is having a wholly-owned Subsidiary viz. Nagavalli Milkline Pvt. Ltd. [CIN:U15209TG1999PTC031625]. During the year, the Board of Directors reviewed the activities of the subsidiary company and noted that said company does not have any operational activity. However in accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of its subsidiary company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and form part of the Annual Report. Further, a statement containing the salient features of the financial statement of the Subsidiary in the prescribed format AOC-1 is appended as **Annexure-I** to the Board's Report. The statement also provides the details of performance, financial positions of the subsidiary. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and Audited Accounts of its Subsidiary, are available on our website www.creamlinedairy.com. These documents will also be available for inspection during the business hours at our Registered Office in Hyderabad, India. During the year, Company has not made any investment in the Subsidiaries & Associate Companies.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2019, the Board of Directors of the Company comprises of:

Mr. Nadir B. Godrej	Chairman
Mr. K. Bhasker Reddy	Managing Director
Mr. M. Gangadhar	Executive Director
Mr. D. Chandra Shekher Reddy	Executive Director
Mr. C. Balraj Goud	Executive Director
Mr. Raj Kanwar Singh	Wole-time Director & Chief Executive Officer
Mr. B. S. Yadav	Director
Mr. S. Varadaraj	Director
Mr. Kavas Noshirwan Petigara	Independent Director
Mr. Jude Julius John Fernandes	Independent Director
Mrs. Surekha Revalli	Independent Woman Director

During the year under review, the Board of Directors met 5 (Five) times, on 02nd May 2018, 26th July 2018, 30th October 2018, 21st December 2018 and 30th January,2019. The attendance details of Directors are mentioned below.

Sl No	Name of the Director	No of Meetings conducted during the Financial Year 2017-18	No of Meetings attended during the Financial Year 2017-18
1	Mr. Nadir B. Godrej	5	4
2	Mr. K Bhasker Reddy	5	4
3	Mr. M Gangadhar	5	3
4	Mr. D Chandra Shekher Reddy	5	5
5	Mr. C Balraj Goud	5	5
6	Mr. Balram Singh Yadav	5	5
7	Mr. S Varadaraj	5	5
8	Mr. Jude Juliusjohn Fernandes	5	5
9	Mrs. Surekha Revalli	5	5
10	Mr. Kavas Noshirwan Petigara	5	5
11	Mr. Raj Kanwar Singh	5	5

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Article 105 of the Articles of Association of the Company, Mr. S Varadaraj and Mr. M. Gangadhar Directors of the Company retired by rotation at the 31st Annual General Meeting held on 26TH July, 2018.

Further pursuant to the the provisions of Section 152 of the Companies Act, 2013 and Article 105 of the Articles of Association of the Company Mr. D. Chandra Shekher Reddy [DIN: 00063691], Mr. C. Balraj Goud [DIN: 00063719], and Mr. N. B. Godrej (DIN: 00066195), Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 134(3)(d) of the Companies Act, 2013, disclosure is hereby given that the Company has received declaration / confirmation of independence pursuant to Section 149(6) of the said Act from Mr. Kavas Noshirwan

Petigara, Mr. Jude Julius John Fernandes, and Mrs. Surekha Revalli Independent Directors of the Company.

Re-appointment of Mrs. Surekha Revalli as an Independent Director for Second term:

Mrs. Surekha Revalli (DIN: 03051372), has been appointed as an Independent Woman Director of the Company by the shareholders at their 27th Annual General Meeting (AGM) for a period of Five Years i.e. upto 32nd AGM.

The Board of Director at their meeting held on 29th April, 2019 has recommended re-appointment of Smt. Surekha Revalli (DIN: 03051372) as an Independent Woman Director of the Company at the ensuing AGM to be held on 24th July,2019 for a second term.

As per the Nomination and Remuneration Policy, appointment of a person as an independent Director for second term, requires approval of the shareholders by way of special resolution. Accordingly, your directors recommends her appointment for your approval.

The details of directors or key managerial personnel who were appointed or have resigned during the year:

During the year under review, the Chief Financial Officer Mr. Govind P. Shelar has been resigned and relieved. Mr. K. V. Ramchandra Rao, has been appointed as the Chief Financial Officer in place of Mr. Govind P. Shelar.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, the Directors would like to state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 (i.e., March 31st, 2019) and of the profit of the Company for that period (i.e., Financial Year 2018-19);
c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) the Directors had prepared the annual accounts on a going concern basis;
e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee comprises of:

1. Mr. Jude Julius John Fernandes - Chairman, Independent Director
2. Mr. S. Varadaraj - Member, Non- Executive Director
3. Mrs. Surekha Revalli - Member, Independent Woman Director.

The Committee met 4 (four) times during the year on 02nd May 2018, 26th July 2018, 30th October 2018, 30th January 2019. The attendance details of Committee Members are mentioned below.

Sl. No	Name of the Director	No of Meetings conducted during the Financial Year 2018-19	No of Meetings attended during the Financial Year 2018-19
1	Mr. Jude Julius John Fernandes	4	4
2	Mrs. Surekha Revalli	4	4
3	Mr. S. Varadaraj	4	4

CSR COMMITTEE:

The Corporate Social Responsibility Committee comprises of:

1. Mr. C. Balaraj Goud- Chairman, Executive Director
2. Mr. M. Gangadhar- Member, Executive Director
3. Mr. Varadaraj Subramanian - Member, Non-Executive Director
4. Mr. Jude Julius John Fernandes - Member, Independent Director.

The Committee has met 2 (Two) times during the Financial Year 2018-19 on 02nd May 2018 and 30th October 2018 to discuss and review on the responsibilities conferred onto the Committee as prescribed under Section 135 of the Companies Act, 2013 and Rules thereunder. The attendance details of Committee Members are mentioned below.

Sr. No	Name of the Director	No. of Meetings conducted during the Financial Year 2017-18	No. of Meetings attended during the Financial Year 2017-18
1	Mr. C. Balraj Goud	2	2
2	Mr. M. Gangadhar	2	0
3	Mr. Jude Julius John Fernandes	2	2
4	Mr. Varadaraj Subramanian	2	2

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of:

1. Mr. Jude Julius John Fernandes, Independent Director
2. Mr. Balram Singh Yadav, Non-Executive Director
3. Mrs. Surekha Revalli - Member, Independent Woman Director

The Committee has met 2 (Two) times during the Financial Year 2018-19, on 2nd May, 2018 and 30th January 2019. The attendance details of Committee Members are mentioned below.

Sl No	Name of the Director	No of Meetings conducted during the Financial Year 2018-19	No of Meetings attended during the Financial Year 2018-19
1	Mr. Jude Julius John Fernandes	2	2
2	Mr. Balram Singh Yadav	2	2
3	Mrs. Surekha Revalli	2	2

MANAGEMENT COMMITTEE:

During the year under review, your Board of Directors has re-constituted the Management Committee consisting of the following Directors, pursuant to Article 116 of the Articles of Association of the Company. As on 31st March, 2019 the following are the Members of the Management Committee:-

1. Mr. K. Bhasker Reddy (Chairman)
2. Mr. D. Chandra Shekher Reddy (Member)
3. Mr. M. Gangadhar (Member)
4. Mr. C. Balraj Goud (Member)
5. Mr. Raj Kanwar Singh (Member)

POLICY ON REMUNERATION & CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS:

Your Company's framework of total rewards aims at a holistic utilization of elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non-compensation elements (career development, work life balance and recognition).

The rewards framework offers the flexibility to employees to customize different elements on the basis of need. It is also integrated with your Company's performance and talent management processes and designed to ensure sharply differentiated rewards for the best performers.

The total compensation for a given position is influenced by three factors: position, performance and potential.

The policy relating to the remuneration for Directors, Key Managerial Personnel (KMP) and other employees has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors, which is disclosed as "**ANNEXURE - II"** to this Directors' Report.

QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS:

1. **Qualifications of Independent Director:**

   An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

2. **Positive Attributes of Independent Directors:**

   An Independent Director shall be a person who shall:

   i. uphold ethical standards of integrity and probity;
   ii. act objectively and constructively while exercising his duties;
   iii. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
   iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
   v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;
   vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
   vii. refrain from any action that would lead to loss of his independence;
   viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
   ix. assist the Company in implementing the best corporate governance practices.

3. **Independence of Independent Directors:**

   An Independent Director should meet the criteria for independence prescribed under Section 149(6) of the Companies Act, 2013 (as may be amended from time to time).

Nomination and Remuneration Policy is enclosed as **"ANNEXURE -II"** to this Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has been actively supporting various initiatives in the areas of animal welfare over the years. After introduction of Section 135 of the Companies Act 2013, the CSR Committee formulated and recommended to the Board, a detailed Corporate Social Responsibility Policy (CSR Policy) keeping in view the provisions of Section 135, CSR Rules and Schedule VII to the Companies Act, 2013, which was approved by the Board at its Meeting held on 3rd September, 2014. Subsequently, the Board has approved the revised CSR Policy as recommended by the CSR Committee, at its Meeting held on 31st January, 2017, to align the same with the Godrej Good and Green policy of Godrej Agrovet Limited (GAVL), the Holding Company of the Company.

The revised CSR Policy focuses mainly on Good & Green, Employability, Greener India, Innovating for Good & Green and Brighter Giving

The Company also undertakes additional CSR activities under Schedule VII, such as:

Education: Inclusive and equitable quality education for different age groups and promotion of life-long learning opportunities for all

Environmental sustainability: Water conservation, clean and renewable energy, reduction of waste to landfill, environmental sustainability, ecological balance, conservation of natural resources and reduction of pollution

Relief funds: Contribute to government relief funds or any other fund for disaster relief and rehabilitation

Rural development: Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalised geographies

Poverty & hunger: Support poverty and malnutrition projects, promote preventive healthcare and sanitation, safe drinking water.

Gender issues: Support empowerment programmes for girl children, adolescent girls, and women, through education, health and livelihood projects, etc.

The CSR Policy may be accessed on the Company's website at the link: www.creamlinedairy.com

During the Financial year 2018-19, the Company has allocated Rs.68,90,075/- (i.e., 2% of the average net profits of last three Financial Years) for the purpose of implementing the CSR Activities. Against the total allocated amount, the Company has spent Rs. 68,61,715/- unspent 28,360/-.

Reasons for not spending total CSR Allocation : Due to non-availability of vendors certain, School infrastructure support works were not carried out, resulting Rs.28,000/- unspent out of total allocated budget during the year.

The Annual Report on CSR activities is annexed herewith marked as **Annexure III**.

RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a risk management policy and in the opinion of the Board of Directors, no risks have been identified which may threaten the existence of the Company.

Your Company endeavor to become aware of different kinds of business risks and bring together elements of best practices for risk management in relation to existing and emerging risks. Rather than eliminating these risks, the decision making process at your Company considers it appropriate to take fair and reasonable risk which also enables the Company to effectively leverage market opportunities.

The Board determines the fair and reasonable extent of principal risks that your Company is willing to take to achieve its strategic objectives. With the support of the

Audit Committee, it carries out a review of the effectiveness of your Company's risk management process covering all material risks.

Your Company has substantial operations spread all over Southern India and Parts of Maharashtra and its competitive position is influenced by the economic, regulatory and political situations and actions of the competitors.

INTERNAL FINANCIAL CONTROL SYSTEMS, INTERNAL AUDIT AND THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The Company had appointed a Chartered Accountant firm during the financial for review to carry out a detailed evaluation of the internal control systems and adequacy thereon. After carrying out their assignment, they have submitted their report observing no material deviations in the internal financial control system.

Your Company has well-defined and documented internal control system, which is adequately monitored. Checks and balances and control system have been established to ensure that assets are safe guarded, utilized with proper authorization and recorded in books of account. The internal control systems are improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of Internal Audit findings and corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism to maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism and Whistle Blower Policy of the Company, provides for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Protected disclosures can be made by a whistle blower in writing to the Vigilance Officer or the Chairman of the Audit Committee. The Policy provides for complete protection to the whistle blower. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: www.creamlinedairy.com

POLICY ON SEXUAL HARASSMENT

Your Company has in place, Anti-Sexual Harassment Policy in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The Members of ICC as on March 31, 2019 are as follows:-

1. Mrs. Sebati Iyengar - Chairperson
2. Mrs. Sanjivini Sadani - Member
3. Mr. Mohit Marwaha – Member
4. Mr. Raghava Reddy Sadhu – Member
5. Mrs. Sharmila Kher – External Member

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2018-19.

During the year under review, there was One Complaint by a Woman Contract Employee against the Company's Employee. The ICC made detailed inquiry. Due lack of primary evidence, respondent was transferred to location where there is no interface with women employees, considering possible involvement of the respondent in the incident. Preventive & safety actions were taken for the safety of the women at the location.

No of complaints received: 1
No of complaints disposed off : 1

AUDITORS AND AUDITORS' REPORTS

Statutory Auditors

As members are aware, 30th Annual General Meeting held on 27th July, 2017. M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) were appointed as Statutory Auditors of your Company for a term of 5 (five) years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In terms of the provisions of section 139 of the companies act, 2013, the appointment of auditors shall be placed for ratification at every AGM. This Provision has been amended by the Companies (Audit and Auditors) second Amendment Rules , 2018 dated 7th May, 2018 which has omitted this provision of ratification of statutory auditors in every Annual General Meeting. Hence the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company, will continue till the conclusion of 35th AGM without any further ratification in every AGM.

The Report given by the M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors on the financial statements of the Company is part of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimer given by the Auditors in their Report.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s. P S Rao & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 20187-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith marked as **Annexure IV** to this Report. The Secretarial Audit Report contains few observations which are reproduced below with replies from the Management.

Secretarial Auditor Observation	Management reply
There were few typographical errors in Form AOC-2 and MGT-9 forming part of Directors Report for the FY 2017-18.	The typographical errors were took place inadvertently. The Management will ensure that the same will not be repeated in future.
There was some delay in filing of Application for obtaining certificate for use of Boiler in one of the Company's plants.	The Management will take care of delay was due to change concerned executive who was responsible for making an application.
The Inspecting Officer under Water Act, 1974 and the Air Act, 1981 had made certain observations at one of the Company's plants, to which the Company has duly replied.	The Company has submitted the reply to the satisfaction of the concerned PCB Officials.

Cost Auditor:

As per the Ministry of Corporate Affairs (MCA) order No. GSR 425 (E) F. No. dated 30th June 2014 read with amendments dated 31st Dec,14, the Cost Audit of **Milk Powder** Product is applicable. The Board of Directors, based on the recommendations of the Audit Committee, at their meeting held on 29th April, 2019 appointed **M/s. S R AND ASSOCIATES**, Cost Audit Firm, as the Cost Auditor of the company for the year 2019-20. According to the said rules, the remuneration payable to the Cost Auditor shall be approved by the Members of the Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

The Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Board as a whole, Chairman and Non-Independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The confidential online questionnaire was responded to by all the Directors and vital feedback was received from them on how the Board currently operates and how it can enhance its effectiveness.

The Board of Directors has expressed its satisfaction with the evaluation process.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

During the year under review, there were no material changes having impact on the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, pursuant to the provisions of Section 186 of the Companies Act, 2013, the Company do not made an Inter - Corporate Deposit/loans/advances during the year.

However, the company has accepted an Inter - Corporate Deposit of Rs.25.00 Crore from its holding Company Godrej Agrovet Limited for period of three months and has repaid the total ICD and there is no outstanding due as on 31-03-2019.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the Financial Year under review were on arm's length basis and in the ordinary course of the business. The transactions are detailed in Form **AOC - 2** vide **Annexure V** to the Directors' Report.

Your Directors draw attention of the Members to Note 38 of Significant Accounting Policies and Notes on Accounts to the financial statement which sets out related party disclosures.

SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2018-19, there are no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

DISCLOSURES ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO YOUR COMPANY:

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Your Company is focused on conservation of energy by inducting latest technology in the market. The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure VI** to this Report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure VII** to this Report. Copy of the Extract of the Annual Return is placed on the website of the Company at www.creamlinedairy.com

ADDITIONAL INFORMATION:

The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Notes attached to and forming part of the Accounts. The Notes to the Accounts referred to the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

HUMAN RESOURCES:

Your Company continues to have amicable employee relations at all locations. Your Company continues to drive a strong performance based culture through a well-defined and executed performance management system.

Recruitment from the best institutions in management and technology has helped to improve workforce capabilities and develop future leaders. Internal talent management processes have helped strengthen success planning for the organisation across levels. Your company has continually invested in learning for employees in the areas of Dairy Technology, Safety, Quality, Energy Management and Sales Capability.

Your Company also launched a portal called Zing HR this year which enables smooth and transparent people processes. The performance management, leave and attendance processes are now fully online – which has helped in technology based data controls and better governance of these processes. Further, this portal helps employees have access to relevant personal information, and policy documents on the go. It also creates a positive culture where employees can share greetings and receive critical updates.

The Board of Directors would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

MANAGERIAL PERSONNEL AND THEIR REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

The term of the Mr. K. Bhasker Reddy, Managing Director, Mr. D. Chandra Shekher Reddy, Executive Director, Mr. M. Gangadhar Executive Director and Mr. C. Balraj Goud, Executive Director, has expired by the end of 31st March, 2019. The Nomination and Remuneration Committee at its meeting held on 30th January, 2019 recommended for the renewal of their term by one year i.e. upto 31-03-2020, on the existing remuneration. The Board of Directors at their meeting held on 30th January, 2019 renewed their appointment for a period of one year i.e. from 0-104-2019 to 3103-2020, subject to the approval of the shareholders.

The shareholders at their Extra Ordinary General Meeting held on 18th March, 2019, accorded their approval for the reappointment of Managing Director and three Executive Directors for a period of one year i.e. from 0-104-2019 to 3103-2020.

The remuneration paid to Directors and Key Managerial Personnel and the employees of the Company during the Financial Year 2018-19 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as "**ANNEXURE 'VIII'** to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

ACKNOWLEDGEMENT:

The Board appreciates and places on record the contribution made by the employees during the year under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, bankers, customers, suppliers and business partners.

For and On behalf of
Creamline Dairy Products Limited

SD/-	**SD/-**
K Bhasker Reddy	**M Gangadhar**
Managing Director	**Executive Director**
DIN :00014291	**DIN :00014325**

Date : 29-04-2019
Place : Mumbai

Annexure I

Form AOC-I

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

Statement containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(In Rupees)

SL. No	Particulars	Details
1	Name of the subsidiary	Nagavalli Milkline Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company i.e., Financial Year 2018-19 ended 31.03.2019
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital Authorized Share Capital [21,50,000 Equity Shares of Rs.10/- each] Issued Subscribed And Fully Paid – Up [20,10,400 Equity Shares of Rs.10/- each]	 2,15,00,000 2,01,04,000
5	Reserves & Surplus	-9,78,946
6	Total Assets	1,95,20,000
7	Total Liabilities	3,95,427
8	Investments	0
9	Turnover (Non- Operating Income)	00
10	Profit before Taxation	-27,227
11	Provision for Taxation	0
12	Profit after Taxation	-27,227
13	Proposed Dividend	Nil
14	% of shareholding	100 %

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. – Not Applicable

For and on behalf of
Creamline Dairy Products Limited

Sd/-
K Bhasker Reddy
Managing Director

Sd/-
M Gangadhar
Executive Director

Date : 29/04/2019
Place : Hyderabad

Part "B": Associates and Joint Ventures

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

1		Name of Associates/Joint Ventures	**Not Applicable as the Company is not having any Associate Companies and Joint Ventures**
2		Latest audited Balance Sheet Date	
3		Shares of Associate/Joint Ventures held by the company on the year end	
	i	No.	
	ii	Amount of Investment in Associates/Joint Venture	
	iii	Extent of Holding %	
4		Description of how there is significant influence	
5		Reason why the associate/joint venture is not consolidated	
6		Net-worth attributable to Shareholding as per latest audited Balance Sheet	
7		Profit / Loss for the year	
	i	Considered in Consolidation	
	ii	Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations: Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

For and on behalf of
Creamline Dairy Products Limited

Sd/-
K Bhasker Reddy
Managing Director

Sd/-
M Gangadhar
Executive Director

Date : 29/04/2019
Place : Hyderabad

Annexure II

NOMINATION AND REMUNERATION POLICY

I. INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and Rules thereunder (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NAR") and approved by the Board of Directors of the Company.

II. PURPOSE OF THE POLICY

The purpose of this Policy is to establish and govern the procedure applicable:

a) to formulate the criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
b) to ensure appointment and level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully
c) to ensure that the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management meets appropriate performance benchmarks.
d) to ensure that, the remuneration payable creates a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and the goals.
e) to formulate a criteria for evaluation of performance of the Members of the Board.

III SCOPE OF APPLICATION

The Policy applies to the Directors, Key Managerial Personnel (KMP) and Senior Management of Creamline Dairy Products Limited (the "Company").

IV. DEFINITIONS

'Act' means the Companies Act, 2013

'Board' or 'Directors' means the Board of Directors of Creamline Dairy Products Limited (CDPL)

‘Committee’ means the Nomination and Remuneration committee of the Company, constituted and re-constituted by the Board from time to time

‘Company’ means Creamline Dairy Products Limited (CDPL)

‘Independent Director’ means a director appointed pursuant to Section 149(6) of the Act, as amended from time to time

‘Key Managerial Personnel’ (the “KMP”) shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act namely:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director
- Chief Financial Officer
- Company Secretary
- such other officer as may be prescribed

‘Nomination and Remuneration Committee’ or ‘NAR Committee’, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act

‘Other employees’ means all the employees other than the Directors, KMPs and the Senior Management Personnel

‘Policy’ or ‘This Policy’ means, ‘Nomination and Remuneration policy”

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads as defined in the Companies Act, 2013

V. INTERPRETATION

Terms, words and expressions used in this policy and not defined herein in this policy shall have the same meaning assigned to them in the Companies Act, 2013 as may be amended from time to time

VI. CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the Nomination and Remuneration Committee (NAR Committee) on March 25th, 2015 as per the requirements under the Companies Act, 2013 and rules thereunder (as amended from time to time). The Committee shall comprise of atleast three Directors, all of whom shall be non-executive Directors and atleast half shall be Independent. The Board has the authority to reconstitute this Committee from time to time. The term of the Committee shall be continued unless terminated by the Board of Directors.

VII. FUNCTIONING OF THE COMMITTEE

The meeting of the Committee shall be held at such regular intervals as may be required. Minimum two (2) Members shall constitute a quorum for the Committee meeting. The Members of the Committee present at the meeting shall choose amongst them to act as a Chairman. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

VIII. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be reviewed and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

IX. ROLE OF THE COMMITTEE

The role of the Committee, inter alia, will be the following :

- To formulate a Nomination and Remuneration policy as per the provisions of section 178 (4) of the Companies Act, 2013 and Rules there under.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board, relating to the remuneration for the directors, key managerial personnel and other employees.
- To develop a succession plan for the Board and to regularly review the plan
- To assist the Board in fulfilling responsibilities
- To perform such other functions as may be necessary or appropriate for the performance of its duties

X. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

i. Appointment Criteria and Qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

iv. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

v. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/

remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XI. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

i. Remuneration to Managing / Whole-time / Executive Director, KMP and Senior Management Personnel:

- The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
- The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.

ii. Remuneration to Non-Executive / Independent Director

- Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

XII. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

XIII. REVIEW AND AMENDMENT

i. The NAR Committee or the Board may review the Policy as and when it deems necessary.

ii. The NAR Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

iii. This Policy may be amended or substituted by the NAR Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Sd/-
Jude Julius John Fernandes
Chairman NR Comiittee

Annexure-III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR POLICY

Creamline Dairy Products Ltd. (CDPL) believes that corporate social responsibility (CSR) should not just be about philanthropy and compliance but that it should also offer a more holistic corporate approach towards economic, social, and environmental impacts as a whole. CDPL's CSR policy is aimed at demonstrating care for the community through its focus on Animal welfare, education and health & wellness. The CSR policy of the company may be accessed on the Company's Website via the link: www.creamlinedairy.com

As a practice, we classify only those projects that are over and above our normal course of business as CSR. Furthermore, our CSR activities fulfils the requirements of the CSR rules as per Section 135 of the Companies Act, 2013.

PROJECTS OUTLINE

As part of CSR, the Company has been actively working in areas of focus:

- Cattle health: Conducting skill development programme for small and marginal farmers on cattle health and conducting veterinary camps to secure their livelihoods.
- Education: Providing support and encouraging students for further education

2. **The Composition of the CSR Committee.**
   1. Mr. C. Balraj Goud (Chairman)
   2. Mr. Jude Julius John Fernandes (Member)
   3. Mr. M. Gangadhar (Member)
   4. Mr. S. Varadaraj (Member)

3. **Average net profit of the company for last three financial years**
   The average net profit calculates to be INR **34,44,19,889**/-
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**
   The prescribed CSR Expenditure for the company is INR 68,88,398/-
5. **Details of CSR spent during the financial year.**
   - **(a) Total amount to be spent for the financial year;**
     INR 68,88,398/-
   - **(b) Amount unspent, if any;**
     Rs 26,683/-
   - **(c) Manner in which the amount spent during the financial year is detailed below (all numbers are in INR Lac)**

Sr.No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) District (State) where projects or Programs Was undertaken	Amount outlay (budget) project or wise (in INR)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overhead: (in INR)	Cumulative expenditure up to to the reporting period (in INR)	Amount spent direct or through the implementing agency (Amount spent; Implementing agency name; Legal structure of the agency; Date of establishment of implementing agency)
1	Veterinary camp: To ensure that Animals get Required medical care , awareness on animal Health, Proper feeding practices, Proper mulching practices	**Schedule (VII)** (II) Livelihood enhancement Projects	1. Local Area/Other 2. Medak, Warangal, Jangoan, Jagdevpur Nalgonda, Siddipet, Karimnagar & Nizamabad (Telangana) Visakhapatnam, W.Godavari, Srikakulam, Krishna, Guntur, Prakasham, Kadapa, Nellore & Chittoor (Andhra Pradesh) Tiruvannamalai, Vellur, Viluppuram, Kanchipuram, Nagapattinam & Krishnagiri , Tirunalvelli (Tamil Nadu) Birsi, Mohandi,Sakoli, Pouni Nilanga, Killari (Maharastra)	36L	1. Direct Expenditure: Rs 35,84,302 2. Overheads – NIL	Rs 36,06,108	Direct
2	Animal Husbandry Training – To ensure better milk productivity for farmers leading to enhanced income	**Schedule (VII)** (II) Livelihood enhancement Projects- Animal Husbandry Trainings	Chennai Region – Naidumangala, Palapattu, Vandavasi, Utarangai	15.3 L	Direct Expenditure	15,30,000	Vrutti- NGO
3	School infrastructure support- To support government schools to get desired infrastructure which will enhance the teaching and learning environment for teachers children in the school	**Schedule (VII)** (ii) Promoting Education including especial education and employment enhancing education skills especially among children, Women,	1. Hyderabad ,Karimnagar (Telangana) , Vijaywada , Madanpalle (Andhra Pradesh) Chennai (Tamil Nadu)	5 L	1. Direct Expenditure: Rs 4 ,75,386	Rs 4,75,386	Direct

		Elderly and Differently abled.					
3	Kerala Disaster relief fund	**Schedule (VII)** (i)promoting health care including preventive health care.' (ii) 'Sanitation and making available safe drinking water'.	Kerala (Wayanad District)	Rs 5,66,147	1. Direct expenditure – **Rs 5,66,147** 2. Overheads - **NIL**	Rs 5,66,147	**Implementing Agency:** Sustainable Environment and Ecological Development Society- Registered Society under act of 1860
4	Godrej Global Volunteering Day- Awareness on sustainable Environment and greener planet by education school children, Planting of trees	**Schedule (VII)** **(vi)** Ensuring Environmental Sustainability	Hyderabad ,Karimnagar(Telangana) Vijaywada ,Madanpalle,Ongole(Andhra Pradesh), Manavali (Karnataka) Nagpur(Maharashtra)	1.5 L	1. Direct Expenditure: 1.2 l 2. Overheads – NIL	Rs 1,84,075	Direct
5	My Village –Model Village	**Schedule (VII)** (ii) Promoting Education (x) Rural development	Telangana	5L	1. Direct Expenditures- 5L 2. Overheads-Nil	Rs 5,00,000	**Implementing Agency :** Vande Mataram, Registered Trust, 2005
					TOTAL SPENT	**Rs 68,61,715**	

6. **In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Due to non-availability of vendors, certain School infrastructure support works were not carried out, resulting Rs. 26,683 /- unspent amount against total allocated budget during the year.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

   Through this report, Creamline Dairy Products Ltd (CDPL). CDPL seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

For and on behalf of
Creamline Dairy Products Limited

Sd/-	**Sd/-**
C. Balraj Goud	**M Gangadhar**
Chairman of the CSR Committee & Executive Director	**Executive Director**

Date : 29/04/2019
Place : Hyderabad

P.S. Rao & Associates
Company Secretaries

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Tele/Fax : 040 - 23352185
e- mail : psraoassociates@gmail.com
psrao_associates@rediffmail.com
Web : www.psraoassociates.com

SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2019

To,
The Members,
CREAMLINE DAIRY PRODUCTS LIMITED
H.No.6-3-1238/B/21 Asif Avenue, Rajbhavan Road,
Hyderabad- 500082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CREAMLINE DAIRY PRODUCTS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31stMarch, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CREAMLINE DAIRY PRODUCTS LIMITED**("the Company")for the financial year ended on 31stMarch, 2019, as made available to us, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under– **Not Applicable**

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings– **(Not applicable to the Company during the audit Period)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (**Not Applicable)**

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

P.S. RAO & ASSOCIATES Hyderabad Company Secretaries

Contd..2

(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

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

(g) The Securities and Exchange Board of India (substantial Acquisition of shares and Takeovers) Regulations,2011;

(h) The Securities and Exchange Board of India (Buyback of Securities), Regulations 1998 and

vi. Other specifically applicable laws to the company:

- Food Safety and Standards Act, 2006
- The Legal Metrology Act, 2009
- Boilers Act, 1923
- The Water (Prevention and Control of Pollution Act, 1974
- The Air (Prevention and Control of Pollution) Act,1981

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

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1),General Meetings (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India.

ii. The Company, being an unlisted Public Limited company,has not entered into any Listing Agreement and hence the same is not commented upon.

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

- There were few typographical errors in Form AOC-2 and MGT-9 forming part of Directors Report for the FY 2017-18.
- An application for obtaining certificate for use of Boiler in one of the Company's plants was filed with some delay.
- The Inspecting Officer, under Water Act, 1974 and the Air Act, 1981, had made certain observations at one of the Company's plants, to which the Company has replied.

P.S. RAO & ASSOCIATES
Hyderabad
Company Secretaries

Contd....3

We further report that examination / audit of financial laws such as direct and indirect tax laws has not been carried out by us as a part of this Secretarial Audit.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings. We have been informed that agenda and detailed notes on agenda were sent sufficiently in advanceand 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 the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board or Committees of the Board, as the case may be.

We further report that:

As per the information provided by the management, and based on the review of compliance reports by the respective department / functional heads, 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.

During the Audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs except that :

> The Company has undertaken the process of merger of NagavallliMilkline Private Limited, its wholly owned subsidiary, with itself. The Scheme of amalgamation, subsequent upon approvals of the Board of Directors, shareholders and creditors has been filed with the Hon'Ble National Company Law Tribunal, Hyderabad Bench and is pending for its approval.

For P S Rao& Associates
Company Secretaries

P.S. RAO & ASSOCIATES Hyderabad Company Secretaries

VikasSirohiya
M. No.15116
CPNo.5246

Place: Hyderabad
Date : 28.04.2019

[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,
CREAMLINE DAIRY PRODUCTS LIMITED
H.No.6-3-1238/B/21 Asif Avenue, Rajbhavan Road,
Hyderabad - 500082

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

2. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises we followed provide a reasonable basis for our opinion.

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

6. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

7. 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.

For P S Rao& Associates
Company Secretaries

P.S. RAO & ASSOCIATES Hyderabad Company Secretaries

VikasSirohiya
M. No.15116
CPNo.5246

Place: Hyderabad
Date : 28.04.2019

Annexure V

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions Not at arm's length basis		
Sl No	**Particulars**	
(a)	Name(s) of the related party and nature of relationship	**NOT APPLICABLE**
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis			
Sl. No	**Particulars**		
1	**Agreement for purchase of Milk**		
(a)	Name(s) of the related party and nature of relationship	1.Khammam Milkline Pvt. Ltd	Related Party
		2. Mohan Milkline Pvt. Ltd	Related Party
		3.Ongole Milkline Pvt. Ltd	Related Party
		4.PamuruMilkine Pvt. Ltd	Related Party
		5. Dhulipalia Milkline Pvt. Ltd	Related Party
		6.Vidya Milkline Pvt. Ltd	Related Party
		7. Orgaa Farms Pvt. Ltd	Related Party
		8. Kavalli Milkline	Related Party
		9. Pragathi Milkline	Related Party
		10. Godrej Agrovet Limited (GAVL)	Related Party (Holding Company)
		11. Godrej Consumer Products Limited (GCPL)	Related Party
		12.Godrej & Boyce Manufacturing Company Limited (GBMCL)	Related Party
		13. Godrej Tyson Foods Limited GTFL	Related party
		14. Prima Foodtech Private Limited (PFTPL)	Related Party
		15. Godrej Industries Limited	Holding company of Godrej Agrovet, the

			Holding company of the Company.
		16.Godrej Group Companies viz. Astec Lifesciences Limited, Godrej Properties Limited and other companies	Fellow subsidiary and other Godrej group companies having common directors (Related parties).
		17. My Village Model Village Foundation	Related party.
(b)	Nature of contracts /arrangements /transactions	The contracts with the parties 1-9 above are for supply of milk on a continuous basis. The contract with GAVL is for purchase of Cattle feed, Bio-briquettes, reimbursement of expenses vie-versa, by both the parties and for Inter Corporate Deposits. The contract with GCPL & GBMCL, are for supply of Electronic Goods and other Machineries. The contract with Godrej Tyson Foods Limited is for sale of solar power. The contract with Prima Foodtech Private Limited is for payment of lease charge of cold storage facility. The contract with Godrej Industries Limited is for sale of Ghee. The Transactions with Godrej Group companies are for supply of milk products during festival season, only once in a year. The contract with My Village Model Village Foundation, which is into Social Service Activities, is for donation as part of CSR spent by the company.	
(c)	Duration of the contracts / arrangements/ transactions	The duration of the contract varies from party to party depending upon the nature of the transactions.	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Procurement of milk from the above mentioned Companies/Firms are based on Basic cost fixed in accordance with the Rates prevailing in the respective District Unions of Co-Operatives. The said companies are also defrayed Operational Cost towards Logistic charges, Chilling cost and other Overheads. The Operational Cost would vary depending on Flush and Lean season. The Cost paid to these companies are strictly comparable with In-house Procurement. Payment of donation to as part of CSR expenditure.	

(e)	Date(s) of approval by the Board, if any:	As these contracts are at arms' length basis, no specific approval is required and hence as reviewed and noted recommended by the Audit Committee and Board noted the same.	
(f)	Amount paid as advances, and due as on 31.03.2019:	NIL	
2	**Rental Agreements**		
(a)	Name(s) of the related party and nature of relationship	Smt. K Sandhya	Wife of Mr. K. Bhakser Reddy, Managing Director
		Smt. M Ramakumari	Wife of Mr. M. Gangadhar, Director
		Smt. D Deepika	Wife of Mr. D. Chandra Shekher Reddy, Director
		Smt. C Manga Raj	Wife of Mr .C. Balraj Goud, Director
(b)	Nature of contracts /arrangements /transactions	Rental Agreement are for a period of 11 month and getting extended by renewal of letters as there are no changes in the terms and conditions.	
(c)	Duration of the contracts / arrangements/ transactions	The contracts are for a period of 11 months. The contracts can be terminated on mutual consent by giving a notice of two months from either side.	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The property is leased to Creamline Dairy Products Limited for Rs. 1,37,850/- p.m. by Mrs. K. Sandhya and by Mrs. M Ramakumari, Mrs. D Deepika and Mrs. C Manga Raj, Rs.1,37,250/- p.m. respectively, for 11 months tenor subject to applicable taxes.	
(e)	Date(s) of approval by the Board, if any:	12-05-2016	
(f)	Amount paid as advances, and due as on 31.03.2018:	NIL	
3	**Resource Managers**		
(a)	Name(s) of the related party and nature of relationship	Mrs. . K. Sandhya	Wife of Mr. K. Bhakser Reddy, Managing Director
		Mrs. M. Ramakumari	Wife of Mr. M. Gangadhar, Director
		Mrs. D. Deepika	Wife of Mr. D. Chandra Shekher Reddy, Director
		Mrs. C. Manga Raj	Wife of Mr. C. Balraj Goud, Director
(b)	Nature of contracts /arrangements /transactions	Resource Managers appointment.	
(c)	Duration of the / arrangements/ transactions	The said personnel are appointed as Resource Managers for a period of 3 years from 01.04.2016. The appointments can be terminated on mutual consent by giving a notice of six months from either side.	
(d)	Salient terms of the contracts or arrangements or transactions including the	The personnel are paid a salary as per the resolutions passed by the shareholders at their AGM held on 21st July, 2016.	

	value, if any		
(e)	Date(s) of approval by the Board, if any:	Recommended by Board of Directors in their Meeting held on 12.05.2016 and subsequently approved by the Shareholders in the AGM held on 21.07.2016.	
(f)	Amount paid as advances, and due as on 31.03.2019:	NIL	
4	**Inter Corporate Deposits**		
(a)	Name(s) of the related party and nature of relationship	Godrej Agrovet Limited	Holding Company
(b)	Nature of contracts /arrangements /transactions	Inter Corporate Deposits (ICD)	
(c)	Duration of the contracts / arrangements/ transactions	Three months from the date of making the deposit.	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	To repay the ICD along with interest @ 7.00% with in three months from the date of receipt.	
(e)	Date(s) of approval by the Board	Approved by the Management Committee of the Board of Directors at their meeting held on 16-01-2019.	
(f)	Amount paid as advances, and outstanding as on 31.03.2019:	NIL	

For and On behalf of
Creamline Dairy Products Limited

Sd/-
K Bhasker Reddy
Managing Director

Sd/-
M Gangadhar
Executive Director

Date : 29-04-2019
Place : Mumbai

Annexure VI

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(A)Conservation of energy -	
(i). the steps taken and impact on conservation of energy	i. Condensate recovery at keshavaram and Uppal Plant to raise feed water temperature of Boiler. ii. Insulation of Hot and cold lines to Prevent temperature loss at Uppal, Hanuman junction plants. iii. Use of Fuel Additives in Boiler at Uppal resulted in 4% reduction in fuel consumption iv. Use of Turboventilators at Keshvaram warehouse v. Use of LED lights in Production area at Uppal All these measures have helped reduce specific energy by 5%
(ii). the steps taken by the company for utilizing alternate sources of energy. (iii). the capital investment on energy conservation equipment's	• Turbo ventilators at Keshvaram warehouse • Capital Investment was INR. 2.00 lacs
(B)Technology absorption	
(i) the efforts made towards technology absorption	Your Company has made the following efforts towards technology absorption: • installed and commissioned an Indigenous technology for water treatment – Boom Tube. This helps us treat the Effluent treatment plant output water and recover close to 100% of the water. The company intends to install these at one more plant. This will help us reduce water drawn from ground there by reducing ground water depletion • We commissioned Vizag plant
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.	This will help us save • Water treatment/purchase Cost • transportation cost
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year).	NIL
(a) the details of technology imported.	--
(b) the year of import.	--
(c) whether the technology been fully absorbed.	--
(d) if not fully absorbed, areas where absorption has not taken	--

place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development.	NIL
(C) Foreign exchange earnings and Outgo	Earnings : NIL Outgo : Rs. 4,466,453.72

For and On behalf of
Creamline Dairy Products Limited

SD/-
K. Bhasker Reddy
Managing Director

SD/-
M. Gangadhar
Executive Director

Date : 29-04-2019

Place : Hyderabad.

Annexure-VII

THE EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92 – IN PRESCRIBED FORM MGT-9

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U15201TG1986PLC006912
ii)	Registration Date	31.10.1986
iii)	Name of the Company	CREAMLINE DAIRY PRODUCTS LIMITED
iv)	Category/Sub-Category of the Company	Public Limited Company
v)	Address of the Registered Office and Contact Details	# 6-3-1238/B/21, Asif Avenue, Somajiguda, Raj Bhavan Road, Hyderabad, Telangana - 500082
vi)	Whether Listed Company	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited Sagar Society, Road No: 2, Banjara Hills, Hyderabad, Telangana- 500034

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)

S.No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Milk	10501	67.00
2	Milk Products	10502,3,4,5 & 9	33.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled].

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	GODREJ AGROVET LIMITED (GAVL) Address: Godrej One, 3rd Floor, Pirojshanagar Eastern Express Highway, Vikhroli (East) Mumbai Mumbai City Maharashtra 400079	L15410MH1991PLC135359	Holding Company	51.91	Section 2(87)(ii) of the Companies Act, 2013
2	GODREJ INDUSTRIES LIMITED (GIL) Address: Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli	L24241MH1988PLC097781	Holding Company	No direct holding but holding company of GAVL	Section 2(87)(ii) of the Companies Act, 2013

	(East) Mumbai, Maharashtra 400079.				
3	Vora Soaps Limited address: Eastern Express Highway Vikhroli Mumbai Maharashtra 400079	U24241MH1979PLC021804	Holding Company	No direct holding but holding company of GIL	Section 2(87)(ii) of the Companies Act, 2013
4	Nagavalli Milkline Private Limited Address: # 6-3-1238/B/21, Asif Avenue, Somajiguda, Raj Bhavan Road, Hyderabad, Telangana - 500082	U15209TG1999PTC031625	Wholly Owned Subsidiary Company	99.99	Section 2(87)(ii) of the Companies Act, 2013

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) **Indian**									
a) Individual/ HUF	100,000	2847192	2947192	26.02	100,000	2847192	2947192	26.02	0
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	5879008	0	5879008	51.91	5879008	0	5879008	51.91	0
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A)	5879008	2847192	8826200	77.94	5879008	2847192	8826200	77.94	0
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks / FI	---	---	---	---	---	---	---	---	---
c) Central Govt.	---	---	---	---	---	---	---	---	---
d) State Govt.(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1):-	---	---	---	---	---	---	---	---	---
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals	---	---	---	---	---	---	---	---	---
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	15000	15000	0.13	---	15000	15000	0.13	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	---	2483500	2483500	21.93	--	2483500	2483500	21.93	0
c) Others (specify)	---	---	---	---	---	---	---	---	---
Non Resident Indians	---	---	---	---	---	---	---	---	---
Overseas Corporate Bodies	---	---	---	---	---	---	---	---	---
Foreign Nationals	---	---	---	---	---	---	---	---	---
Clearing Members	---	---	---	---	---	---	---	---	---
Trusts	---	---	---	---	---	---	---	---	---
Foreign Bodies - D R	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):-									

Total Public Shareholding (B)=(B)(1)+ (B)(2)	---	2498500	2498500	22.06	--	2498500	2498500	22.06	0
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	**5879008**	**5445692**	**11324700**	**100**	**5879008**	**5445692**	**11324700**	**100**	---

B) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	Godrej Agrovet Limited	5879008	51.91	---	5879008	51.91	---	0
2	Bhasker Reddy K	868500	7.67	---	868500	7.67	---	0
3	Srinath Shetkar	20000	0.18	---	20000	0.18	---	0
4	Chandra Shekher Reddy D	835292	7.38	---	835292	7.38	---	0
5	Balraj Goud C	654892	5.78	---	654892	5.78	---	0
6	Gangadhar Mandava	568508	5.02	---	568508	5.02	---	0
	TOTAL	**8826200**	**77.94**	**---**	**8826200**	**77.94**	**---**	**0**

C) Change in Promoters' Shareholding

SN	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**K.Bhasker Reddy**				
	At the beginning of the year	868500	7.67	868500	7.67
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	**868500**	**7.67**
2	**D. CHANDRA SHEKHER REDDY**				
	At the beginning of the year	835292	7.38	835292	7.38
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	**835292**	**7.38**

3	**SREENATH SHETKAR**				
	At the beginning of the year	20000	0.18	20000	0.18
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	**20000**	**0.18**
4	**C BALRAJ GOUD**				
	At the beginning of the year	654892	5.78	654892	5.78
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	**654892**	**5.78**
5	**M.GANGADHAR**				
	At the beginning of the year	568508	5.02	568508	5.02
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	**568508**	**5.02**
6	**GODREJ AGROVET LIMITED**				
	At the beginning of the year	5879008	51.91	5879008	51.91
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	**5879008**	**51.91**

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	C. Mangaraj	434208	3.83	434208	3.83
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**434208**	**3.83**
2	K. Sandhya	290000	2.56	290000	2.56
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**290000**	**2.56**
3	M. Rama Kumari Mandava	251208	2.22	251208	2.22
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**251208**	**2.22**
4	M. K. Chaitanya	230892	2.04	230892	2.04
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**230892**	**2.04**

5	M.V.Aditya	230892	2.04	230892	2.04
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**230892**	**2.04**
6	D. Deepika	205000	1.81	205000	1.81
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**205000**	**1.81**
7	K. Prateek	195000	1.72	195000	1.72
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**195000**	**1.72**
8	D. Uthej Reddy	173700	1.53	173700	1.53
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**173700**	**1.53**
9	D.Ravitej Reddy	173700	1.53	173700	1.53
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**173700**	**1.53**
10	K.Rinny	87000	0.77	87000	0.77
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**87000**	**0.77**

E) ***Shareholding of Directors and Key Managerial Personnel:***

SN	***Shareholding of each Directors and each Key Managerial Personnel***	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	**Nadir B. Godrej**				
	At the beginning of the year	Nil			
	Date wise Increase/Increase Shareholding during the year				
	At the end of the year				
2	**K. Bhasker Reddy**				
	At the beginning of the year	868500	7.67	868500	7.67
	Date wise Increase/Increase Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**868500**	**7.67**
3	**D. Chandra Shekher Reddy**				
	At the beginning of the year	835292	7.38	835292	7.38
	Date wise Increase / Increase Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**835292**	**7.38**
4	**C Balraj Goud**				
	At the beginning of the year	654892	5.78	654892	5.78

	Date wise Increase/Increase Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**654892**	**5.78**
5	**M. Gangadhar**				
	At the beginning of the year	568508	5.02	568508	5.02
	Date wise Increase/Increase Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	**--**	**--**	**568508**	**5.02**
6	**B S Yadav**				
	At the beginning of the year	Nil			
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
7	**S Varadaraj**	Nil			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
8	**JUDE JULIUS JOHN FERNANDES**	Nil			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
9	**Surekha Revalli**	Nil			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
10	**Raj Kanwar Singh** – Whole- time Director & Chief Executive Officer	Nil			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
11	**Kavas Petigara**				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
12	**K. V. Ramchandra Rao** – Chief Financial Officer	Nil			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
13	**S. Raghava Reddy** – Company Secretary	Nil			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment **(Rupees in lakh)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Refer Note)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17.36	6827.60	-	**6844.96**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	-	5.29	-	**5.29**
Total (i+ii+iii)	**17.36**	**6832.89**	**-**	**6850.25**
Change in Indebtedness during the financial year				
* Addition		8312.43	-	**8312.43**
* Reduction	17.36	9777.65	-	**9795.01**
Net Change	-	(1772.36)	**-**	**(1477.29)**
Indebtedness at the end of the financial year				
i) Principal Amount	-	5367.67	-	**5367.67**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	-	20.31	-	**20.31**
Total (i+ii+iii)	**-**	**5387.98**	**-**	**5387.98**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager (Lacs per annum)					Total Amount
		K Bhasker Reddy (MD)	D Chandra Shekher Reddy (WTD)	M Gangadhar (WTD)	C Balraj Goud (WTD)	Raj Kanwar Singh	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8413644	8404420	6303960	8400420	10376768	41899212
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	879300	879300	879300	879300	1931988	5449188
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961(PF & Gratuity)	-	-	--	-	911244	911244
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission- as % of profit	-	-	-	-	-	-
5	Others, (Recovery)	413556	411756	411756	411756	-	1276624
	Total (A)	**9292944**	**9283720**	**7479720**	**9279720**	**13220000**	**48556104**
	Ceiling as per the Act	As prescribed under Schedule V to the Companies Act, 2013, the ceiling based on the net worth of the company, the aggregate amount is Rs.6.00 crore.					

B. *Remuneration to other directors (Sitting fee in Rs.)*

SN.	Particulars of Remuneration	Name of Independent Directors			Total Amount In Rupees
		Jude Julius john Fernandes	Surekha Revalli	Kavas N. Petigara	
	Fee for attending board committee meetings	280,000	260000	200000	740,000
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total	280,000	260000	200000	740,000
	Overall Ceiling as per the Act.	Sitting fee of Rs.100,000/- per each Director for each Meeting.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD.

SN	Particulars of Remuneration	Key Managerial Personnel (lacs per annum)			
		CEO	**CFO ****	**CS**	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,03,76,768	41,78,969	9,65,299	1,55,21,036
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,31,988	18,000	3,00,828	22,50,816
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961, (PF & Gratuity)	9,11,244	2,61,904	93,734	12,66,882
2	Stock Option	-	--	--	--
3	Sweat Equity	-	--	--	--
4	Commission - as % of profit	-	--	--	--
	others, specify…	-	--	--	--
5	Others, please specify -PLVR	-	--	46,149	46,149
	Total	**1,32,20,000**	**4458873**	**14,06,010**	**1,90,84,884**

Note :

**** 1.** Mr. Govind Pandurang Shelar, Remuneration as CFO is for the period from April, 2018 to January, 2019, And

2. Mr. K. V. Ramchandra Rao, Remuneration as CFO is for the period from February, 2019 to March, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For Creamline Dairy Products Limited

	Sd/-	**Sd/-**
Date : 29-04-2019	**K. Bhasker Reddy**	**M. Gangadhar**
Place : Mumbai	**Managing Director**	**Executive Director**

Annexure-VIII

(Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

MANAGERIAL REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

Sr. No.	Particulars	Information
(i)	Name of the employee	Raj Kanwar Singh
(ii)	Designation of the employee	Whole-time Director * and Chief Executive Officer
(iii)	Remuneration received	Rs.1,32,20,000/-
(iv)	Nature of employment, whether contractual or otherwise	Contractual
(v)	Qualifications of the employee	IIT Bombay - Electrical, PG-FMS - Marketing
	Experience of the employee	24 Years and 6 Months
(vi)	Date of commencement of employment	9/29/2016
(vii)	Age of such employee	49 Years and 8 Months
(viii)	The last employment held by such employee before joining the company	OK Foods, Nigeria.
(ix)	The percentage of equity shares held by the employee in the company	0
(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No

CREAMLINE DAIRY PRODUCTS LIMITED
NOTICE

Notice is hereby given that the ***32nd*** **ANNUAL GENERAL MEETING** of the Members of **CREAMLINE DAIRY PRODUCTS LIMITED** ("the Company") [Corporate Identity Number (CIN): U15201TG1986PLC006912] will be held on Wednesday the 24th July, 2019 at the Registered Office of the Company at 6-3-1238/B/21, Asif Avenue, Rajbhavan Road, Somajiguda, Hyderabad- 500082, Telangana at 10.00 A.M, to transact the following business.

ORDINARY BUSINESS

1. **ADOPTION OF FINANCIAL STATEMENTS**

   To consider and adopt the Standalone and Consolidated audited financial statement for the Financial Year ended March 31, 2019, the report of the Board of Directors and the report of the Statutory Auditors thereon.

RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION

2. To appoint a Director in place of Mr. D. Chandra Shekher Reddy [Director Identification Number (DIN): 00063691], who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Mr. C. Balraj Goud [Director Identification Number (DIN): 00063719], who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Mr. N. B. Godrej [Director Identification Number (DIN): 00066195], who retires by rotation and being eligible offers himself for re-appointment.

PAYMENT OF DIVIDEND

4. To declare the dividend of 30% i.e. Rs. 3/- per equity share of Face value of Rs.10/- each, as the Final Dividend for the Financial Year 2018-19.

RATIFICATION OF APPOINTMENT OF STATUTORY AUDITOR AND FIXING AUDITORS REMUNERATION

5. To consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.:101248W/W-100022) as Statutory Auditors of the Company to hold office till the conclusion of the 33rd Annual General Meeting to be held in the calendar year 2020 at a remuneration as may be mutually agreed between the Statutory Auditors and the Company, be and is hereby ratified."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, Smt. Surekha Revalli (DIN:03051372), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Independent Woman Director, be and is hereby appointed as an Independent Woman Director of the Company for a term of 5 consecutive years commencing from the date of 32nd Annual General Meeting of the Company."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. S R. and Associates, Cost Accountants (Firm Regn. No. 0540) represented by Mr. K.S.V. SUBBARAO,(Membership No. 20548) one of the partner of the Firm who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20, amounting to Rs. 75,000/- (Rupees Seventy Five Thousand only) as also the payment of GST as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby confirmed and approved.

By Order of the Board
For Creamline Dairy Products Limited

Sd/-
S. Raghava Reddy
Company Secretary

Date: 29th April, 2019
Place: Hyderabad

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY**. The Proxy form duly filled in should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. All alterations/corrections made in the form of Proxy should be initialed by the Member.

2. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip sent herewith duly filled in for attending the meeting.

3. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy for his entire shareholding and such person shall not act as a proxy for any other person or shareholder.

4. Information in respect of Mrs. Surekha Revalli, Director, Mr. D. Chandra Shekher Reddy and Mr. C. Balraj Goud, seeking re-appointment as required under the Secretarial Standards on General Meetings (SS-2) issued by ICSI is attached herewith.

5. As per SS-2, complete particulars of the venue of the Meeting through route map has been attached herewith the Notice.

6. Explanatory statement as required under the provisions of section 102(1) of the Companies Act, 2013, is given below.

<u>EXPLANTORY STATEMENT AS REQUIRED UNDER THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act") FOR SPECIAL BUSINESS :</u>

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and other information as required to be mentioned as per Secretarial Standards:

Item Nos. 2 & 3 :
Information in respect of Director seeking re-appointment as required under the Secretarial Standards on General Meetings issued by ICSI:-

Name of the Director	**Mr. D. Chandra Shekher Reddy**	**Mr. C. Balraj Goud**
Date of Appointment including terms and conditions of appointment	He has been reappointed as the whole-time Director of the company for a period of One year w.e.f. 01-04-2019 to 31-03-2020. Terms and conditions are as per the agreement entered into by the company with Mr. D. Chandra Shekher Reddy.	He has been reappointed as the whole-time Director of the company for a period of One year w.e.f. 01-04-2019 to 31-03-2020. Terms and conditions are as per the agreement entered into by the company with Mr. C. Balraj Goud.
Date of first appointment on the Board	31-10-1986	25-11-1992
Date of Birth	01-08-1961	12-08-1960
Expertise in Specific Functional areas	He has more than 32 years of experience He has worked as Technical Officer in Sabarkantha District Milk Producers Union Limited." Popularly known as SABAR DAIRY, part of AMUL organization for two years.	vast experience of 32 years in Commercial activities and has considerable exposure to Marketing of Milk and Dairy Products. He is the person who has introduced the novel Concept of "Round the Clock" parlors in the twin cities of Hyderabad and Secunderabad.

Educational Qualification	Graduate in Dairy Technology from Osmania University.	Graduate in Rural Industrialization from Osmania University and LL.B. from Maratwada University, and had done his Post Graduation with Geography as specialization from Osmania University.
Directorships in other Companies	i. Chidrupi Financial Services Limited	i. Chidrupi Financial Services Limited ii. My Village Model Village Foundation
Membership / Chairmanships of committees of Other Boards (other than the Company)	NIL	Chairman – Corporate Social Responsibility Committee of Board of Directors of Creamline Dairy Products Limited.
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Rs.7.50 Lakhs Per month.	Rs.7.50 Lakhs Per month.
Shareholding in the Company as on 31.03.2019- No. of Equity Shares held in the company and % of holding.	8,35,292 Equity Shares 7.38%.	6,54,892 Equity Shares , 5.78%.
Relationship between Directors inter-se.	NIL	Nil
Number of Meetings of the Board attended during the year 2018-19.	5 (Five)	5 (Five)

Item No 6:
Mrs. Surekha Revalli (DIN: 03051372), has been appointed as an Independent Woman Director of the Company by the shareholders at their 27th Annual General Meeting (AGM) for a period of Five Years i.e. upto 32nd AGM.

The Board of Director at their meeting held on 29th April, 2019 has recommended re-appointment of Smt. Surekha Revalli (DIN: 03051372) as an Independent Woman Director of the Company at the ensuing AGM to be held on 24th July,2019.

Mrs. Surekha Revalli is an Independent Project Consultant having around 23 years of experience in Information and Technology. She does not hold any shares in the company.

The Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose her for the office of independent Director.

The Company has received from Smt. Surekha Revalli

(i) Intimation to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and
(ii) declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Smt. Surekha Revalli fulfills the conditions for her appointment as Independent Directors as specified in the Companies Act, 2013. Smt. Surekha Revalli is independent of the management. It is therefore proposed that Smt. Surekha Revalli be appointed for a term of 5 (five) years.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Smt. Surekha Revalli is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

As per the Nomination and Remuneration Policy, appointment of a person as an Independent Director for second term, requires approval of the shareholders by way of special resolution. Accordingly, your directors recommends her appointment for your approval.

The Board recommends the resolution set forth in the Item Nos. 10 of the Notice for approval of the members.

Except Smt. Surekha Revalli being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in this resolution.

Information in respect of Director seeking re-appointment as required under the Secretarial Standards on General Meetings issued by ICSI:-

Name of the Director	**Mrs. Surekha Revalli**
Date of Appointment including terms and conditions of appointment	29-09-2014- She has been appointed as the Independent Woman Director of the Company for a period of Five Years.
Date of first appointment on the Board	29-09-2014
Date of Birth	02-06-1970
Expertise in Specific Functional areas	Mrs. Surekha Revalli is an Independent Project Consultant having around 23 years of experience in Information and Technology.
Educational Qualification	B. Tech in Electrical Engineering from JNTU College of Engineering in Hyderabad and an M.S. in Computer Engineering from University of Memphis - USA.
Directorships in other Companies	Beyond Books Private Limited
Membership / Chairmanships of committees of Other Boards (other than the Company)	Membership : 1. Nomination and Remuneration Committee 2. Audit Committee
Details of Remuneration sought to be paid and the remuneration last drawn by such person.	No remuneration – only sitting fee will be paid for attending the Board Meeting, Nomination and Remuneration Committee and Audit Committee Meeting.
Shareholding in the Company as on 31.03.2019	Nil

Relationship between Directors inter-se	NIL
Number of Meetings of the Board attended during the year 2018-19.	Five Meetings

Item No 7:

As per the Ministry of Corporate Affairs (MCA) Order No. GSR 425 (E) F. No. dated 30th June 2014 read with amendments dated 31st Dec, 2014, the Cost Audit of **Milk Powder** Product is applicable. In this connection and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 29th April, 2019 appointed **M/s. SR AND ASSOCIATES**, Cost Audit Firm, as the Cost Auditor of the company for the Financial Year 2019-20. According to the said Rules, the remuneration payable to the Cost Auditor shall be approved by the Members of the Company. Copy of the eligibility certificate furnished by the Cost Auditor is available for inspection, without any fee, by the members at the Company's Registered Office during normal hours on working days up to the date of AGM.

Your Directors recommend that the Resolutions as set out as Item No. 7, be passed as an Ordinary Resolution.

None of the other Directors/Key Managerial Personnel or their relatives is in any way concerned or interested financial or otherwise, in these resolutions.

By Order of the Board
For Creamline Dairy Products Limited

Sd/-
S. Raghava Reddy
Company Secretary

Date: 29th April, 2019
Place: Hyderabad

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditors' report
To the Members of Creamline Dairy Products Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Creamline Dairy Products Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

Creamline Dairy Products Limited
Independent Auditors' report (continued)

Other Information (continued)

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Creamline Dairy Products Limited
Independent Auditors' report (continued)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

   (A) 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 standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

Creamline Dairy Products Limited
Independent Auditors' report (continued)

Report on Other Legal and Regulatory Requirements

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 33(b) to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Annexure A to the Independent Auditor's Report on standalone financial statements

With reference to Annexure A referred to in the Independent Auditor's Report of even date to the members of Creamline Dairy Products Limited ('the Company') on the standalone financial statements for the year ended 31 March 2019, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets other than in respect of certain assets for which the Management is in the process of updating quantitative details and other particulars.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 2 on property, plant and equipment to the standalone financial statements are held in the name of the Company, except for the following:

Particulars of land	Gross Block (Rs in lakhs)	Remarks
Free hold land at Uthangarai	6.50	As informed by the Management, the registration of the land is under progress.

ii. The inventory, except goods-in-transit and stock lying with the third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmation have been obtained by the Management. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the provision of clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and Rules framed thereunder.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

Creamline Dairy Products Limited
Annexure A to the Independent Auditor's Report on standalone financial statements (continued)

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Goods and Services tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained by the Management, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise, Value added tax and Cess. Refer note 33(c) to the standalone financial statements relating to provident fund contribution.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues in respect of Provident fund, Employee's State Insurance, Income tax, Goods and Services tax, Duty of customs and other material statutory dues which were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Goods and Services tax, Duty of customs and which have not been deposited with the appropriate authorities on account of any dispute other than the following:

Name of the statute	Nature of dues	Amount Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	22.13 (22.13)*	AY 1995-96 to 2000-01	Assessing officer
Income Tax Act, 1961	Tax	38.21 (33.72)*	AY 2005-06	High Court of Telangana and Andhra Pradesh
Income Tax Act, 1961	Tax	12.75 (12.75)*	AY 2008-09	Assessing officer
Income Tax Act, 1961	Tax	10.95 (10.95)*	AY 2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Tax	34.46 (6.90)*	AY 2016-17	Commissioner of Income Tax (Appeals)
APVAT Act, 2005	Tax	20.07 (5.01)*	FY 2004-05	Sales Tax Appellate Tribunal
APVAT Act, 2005	Tax	8.66 (7.61)*	FY 2005-06	High Court of Telangana and Andhra Pradesh
APVAT Act, 2005	Tax	13.84 (1.73)*	FY 2014-16	Deputy Commissioner (Appellate)
APVAT Act, 2005	Tax	1.08 (1.08)*	FY 2010-11	Assessing Officer

* Represent amounts paid under protest or adjusted against receivable of other financial years.

viii. According to the records of the Company examined by us and information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company does not have any loans or borrowings from any financial institution or government nor has it issued any debentures as at the balance sheet date.

Creamline Dairy Products Limited
Annexure A to the Independent Auditor's Report on standalone financial statements (continued)

ix. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations provided to us and based on our examination of the records of the Company, the term loans have been applied on an overall basis, for the purposes for which they have been obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the said Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the said Order are not applicable to Company.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399

Place: Mumbai
Date: 29 April 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Creamline Dairy Products Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Creamline Dairy Products Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Creamline Dairy Products Limited
Annexure B to the Independent Auditors' report on the standalone financial statements (continued)

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Standalone balance sheet
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	24,549.88	17,925.32
Capital work-in-progress	2	1,106.13	3,425.59
Other intangible assets	3	190.54	276.35
Financial assets			
Non-current investments	4	562.91	563.08
Other financial assets	5	296.97	270.95
Non-current tax assets (net)		191.39	178.44
Other non-current assets	6	314.31	877.09
Total non-current assets		**27,212.13**	**23,516.82**
Current assets			
Inventories	7	10,689.91	13,370.28
Financial assets			
Trade receivables	8	906.68	879.21
Cash and cash equivalents	9	1,056.40	1,792.96
Other financial assets	10	138.31	159.79
Other current assets	11	554.15	973.70
Total current assets		**13,345.45**	**17,175.94**
Total assets		**40,557.58**	**40,692.76**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,132.47	1,132.47
Other equity	13	19,485.46	18,635.61
Total equity		**20,617.93**	**19,768.08**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,196.88	854.29
Provisions	15	274.70	290.93
Deferred tax liabilities, net	16	735.64	524.44
Deferred income	17	171.09	180.43
Total non-current liabilities		**3,378.31**	**1,850.09**
Current liabilities			
Financial liabilities			
Borrowings	18	2,812.35	5,500.00
Trade payables	19		
a) Total outstanding dues of micro and small enterprises		394.30	242.48
b) Total outstanding dues of other than micro and small enterprises		9,118.36	9,681.84
Other financial liabilities	20	3,448.34	3,054.76
Other current liabilities	21	566.04	470.80
Deferred income	22	9.34	9.34
Provisions	23	212.61	115.37
Total current liabilities		**16,561.34**	**19,074.59**
Total liabilities		**19,939.65**	**20,924.68**
Total Equity and liabilities		**40,557.58**	**40,692.76**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

K Bhasker Reddy
Managing Director
DIN: 00014291

M Gangadhar
Executive Director
DIN:00014325

D.Chandra Shekher Reddy
Executive Director
DIN: 00063691

C.Balraj Goud
Executive Director
DIN: 00063719

Raj Kanwar Singh

Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Standalone statement of profit and loss
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	24	1,16,111.66	1,15,765.55
Other income	25	322.90	259.52
Total income		**1,16,434.56**	**1,16,025.07**
Expenses			
Cost of materials consumed	26	87,835.64	95,931.40
Purchase of traded goods		673.74	366.08
Changes in inventories	27	2,592.27	(2,694.21)
Excise duty		-	26.08
Employee benefits expense	28	6,620.72	5,938.70
Finance costs	29	204.53	277.77
Depreciation and amortisation expense	30	2,059.63	1,818.18
Other expenses	31	14,444.01	12,944.14
Total expenses		**1,14,430.54**	**1,14,608.14**
Profit before tax		**2,004.02**	**1,416.93**
Tax expense:	39		
Current tax:			
- Normal tax		-	491.87
- MAT for the year		421.62	-
Deferred tax (including MAT credit entitlement)		232.04	70.23
Earlier year tax		52.15	(74.20)
		705.81	**487.90**
Net profit for the year		**1,298.21**	**929.03**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	36	(59.63)	(141.90)
Deferred tax	39	20.84	49.11
Total other comprehensive income for the year		**(38.79)**	**(92.79)**
Total comprehensive income for the year		**1,259.42**	**836.24**
Earnings per share			
Basic earnings per share of Rs. 10 each	32	11.46	8.20
Diluted earnings per share of Rs. 10 each	32	11.46	8.20

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
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Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Standalone cash flow statement
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities :		
Profit before tax	2,004.02	1,416.93
Adjustment for:		
Depreciation and amortisation expense	2,059.63	1,818.18
Loss on sale of property, plant and equipment, net	40.56	8.79
Profit on sale of investments (net)	(19.20)	(17.96)
Amortisation of government grants	(9.34)	(14.79)
Interest income	(16.58)	(14.01)
Finance costs	204.53	277.77
Allowances for doubtful debts and advances	139.32	133.71
Investments written off	0.17	-
Liabilites no longer required written back	(73.81)	(21.43)
Bad debts written off/(Recovered), net	(0.80)	(15.95)
Operating profit before working capital changes	**4,328.50**	**3,571.24**
Inventories	2,680.38	(3,358.71)
Trade receivables	(53.27)	(516.64)
Other non-current assets and current assets	357.55	(718.05)
Other financial assets	(4.19)	(54.33)
Trade payables	(451.66)	6,113.69
Employee benefit obligations	21.38	45.19
Other financial liabilities	360.57	108.50
Other current liabilities	95.24	173.82
Cash generated from operations	**7,334.50**	**5,364.71**
Taxes paid (net of refunds received)	(486.73)	(543.55)
Net cash flow from operating activities	**6,847.77**	**4,821.16**
Cash flow from investing activities :		
Payments for property, plant and equipment (net of capital advances, capital creditors and capital work-in-progress)	(5,879.06)	(5,182.40)
Proceeds from sale of property, plant and equipment	334.47	10.24
Purchase and sale of short-term investments, net	19.20	17.96
Interest received	16.24	11.81
Net cash used in investing activities	**(5,509.15)**	**(5,142.39)**
Cash flow from financing activities :		
Net proceeds from short-term borrowings	(687.65)	1,672.10
Repayment of long-term borrowings	(789.64)	(209.77)
Proceeds from inter-corporate deposits	2,000.00	-
Repayment of inter-corporate deposits	(2,000.00)	-
Finance costs	(189.52)	(294.82)
Dividend paid	(338.54)	(338.54)
Dividend tax paid	(69.83)	(69.16)
Net cash from /(used in) financing activities	**(2,075.18)**	**759.81**
Net increase/ (decrease) in cash and cash equivalents	**(736.56)**	**438.58**
Cash and cash equivalents at the beginning of the year (refer note 9)	1,792.96	1,354.38
Cash and cash equivalents at the end of the year (refer note 9)	**1,056.40**	**1,792.96**

Refer note 43 for reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

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Executive Director
DIN: 00063719

Raj Kanwar Singh

Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Standalone statement of changes in equity
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

(a) Equity share capital

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the reporting year	1,132.47	1,132.47
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**1,132.47**	**1,132.47**

(b) Other equity

As at 31 March 2019	Retained earnings	General reserve	Securities premium	Capital reserves	Other comprehensive Income	Total
Balance at 31 March 2018	**11,483.47**	**1,443.72**	**5,720.20**	**174.89**	**(186.67)**	**18,635.61**
Total comprehensive income for the year						
Profit for the year	1,298.21	-	-	-	-	1,298.21
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(38.79)	(38.79)
Total comprehensive income for the year	**1,298.21**	-	-	-	**(38.79)**	**1,259.42**
Transactions with the owners of the Company:						
Dividend	(339.74)	-	-	-	-	(339.74)
Dividend distribution tax	(69.83)	-	-	-	-	(69.83)
Balance at 31 March 2019	**12,372.11**	**1,443.72**	**5,720.20**	**174.89**	**(225.46)**	**19,485.46**

As at 31 March 2018	Retained earnings	General reserve	Securities premium	Capital reserves	Other comprehensive Income	Total
Balance at 1 April 2017	**10,963.34**	**1,443.72**	**5,720.20**	**174.89**	**(93.88)**	**18,208.27**
Total comprehensive income for the year						
Profit for the year	929.03	-	-	-	-	929.03
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(92.79)	(92.79)
Total comprehensive income for the year	**929.03**	-	-	-	**(92.79)**	**836.24**
Transactions with the owners of the Company:						
Dividend	(339.74)	-	-	-	-	(339.74)
Dividend distribution tax	(69.16)	-	-	-	-	(69.16)
Balance at 31 March 2018	**11,483.47**	**1,443.72**	**5,720.20**	**174.89**	**(186.67)**	**18,635.61**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

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Managing Director
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Executive Director
DIN: 00063719

Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Company overview:

Creamline Dairy Products Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at # 6-3-1238/B/21, Asif Avenue, Raj Bhavan Road, Hyderabad. The Company is principally engaged in milk procurement, processing of milk and manufacturing and selling of milk and milk products. The Company is also engaged in generation of power through renewable energy sources.

1. Significant accounting policies

a) Statement of compliance

The standalone financial statements of the Company ('financial statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

New and amended standards adopted by the Company

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the modified retrospective method. This method requires the recognition of the cumulative effect of initially applying Ind AS 115 to retained earnings and not to restate prior years. Overall, the application of this standard did not have any impact on the revenue streams from the sale of products and other operating income.

b) Basis of preparation

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

d) Key estimates and assumptions

While preparing the financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the restated statement of assets and liabilities and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

BSR & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011, India
Chartered Accountants

Creamline Dairy Products Limited
6-3-1238/B/21, Asif Avenue, Somajiguda, Hyd-82.

Judgment, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

  Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

e) Fair value measurement:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

B S R & Co. LLP Chartered Accountants 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011 India

Creamline Dairy Products Limited # 6-3-1238/B/21, Asif Avenue, Somajiguda, Hyd-82.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f) Current and non-current classification

All assets and liabilities in the balance sheet are classified into current and non-current as required under Schedule III reporting framework.

Assets

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

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

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

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. It is expected to be settled in the Company's normal operating cycle;
ii. It is held primarily for the purpose of being traded;
iii. It is due to be settled within 12 months after the reporting date; or
iv. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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Operating cycle

The Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

g) Revenue

Sale of goods

The Company is engaged in sale of milk, milk products, animal feed etc. Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer which coincides with the time when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of goods.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties.

Sale of power

Revenue from the sale of power is recognised when the Company sells the power to the customer. Revenue from sale of power is based on the price specified in the sales contracts.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit or loss.

Dividend income

Dividend income is accounted for when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

h) Foreign currency

Transactions in foreign currencies are translated to functional currencies of Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of profit and loss.

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i) Employee benefits

Short-term employee benefits

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

Short-term employee benefit such as salaries, wages, bonus, special awards and medical benefits, etc. are recognized on an un-discounted basis and charged to the statement of profit and loss.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss during the period in which the employee renders the related service. The Company has no obligation, other than the contribution payable to these funds.

Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The Company has an arrangement with Life Insurance Corporation of India (LIC) to administer its gratuity scheme.

The contribution paid/ payable is debited to the statement of profit and loss on accrual basis. Accrued liability towards gratuity is provided on the basis of actuarial valuation under the Projected Unit Credit (PUC) method and debited to the statement of profit and loss Statement and Actuarial gains or losses net of deferred taxes are accounted for in Other Comprehensive Income (OCI).

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the statement of profit and loss.

j) Taxes on income:

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in the OCI.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI.

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

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k) Inventories

Inventories which comprise of raw material, packing material, work-in-progress, finished goods and stores and spares are valued at lower of cost and net realizable value. Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. The inventories of raw materials, packing materials, work-in-progress, finished goods and stores are valued at moving weighted average cost of the respective batches.

Cost of work-in-progress and finished goods include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

l) Property, plant and equipment

Recognition and measurement

Property, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

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

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

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation/ Amortizations

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Asset category	Estimated useful life in years
Plant and machinery	8
Wind and Solar equipment	22
Crates, cans and milk-o-testers	4

Crates, Cans and milko testers on replacement are charged to revenue.

m) Intangible assets

Recognition and measurement

Intangible assets other than Goodwill are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

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Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit or loss. The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software : 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

n) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

p) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Company acquired a business, it assessed the financials assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of entities comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

q) Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amounts of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the fair value less costs to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset (other than goodwill) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of goodwill, such reversal is not recognised.

r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes invalue,and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

s) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

t) Government grants

Government Grants are recognised where there is a reasonable assurance that the grant will be received and the attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

u) Leases

Finance leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

v) Financial instruments

Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument except for trade receivables which are initially recognized when they are originated. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

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Classification and subsequent measurement

Financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

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

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial instruments

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recgonsied on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this cases, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit and loss.

Impairment of financial assets

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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w) Investments in subsidiaries

The Company has elected to recognise its investments in subsidiary at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

x) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

y) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

z) Provisions, Contingent liabilities, Contingent assets and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow or resources will be required to settle the obligation;
- a present obligation arising from past events, when reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow or resources is remote.

A contingent asset is not recognized but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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aa) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1 April 2019:

Ind AS 116, *Leases*

The Company is required to adopt Ind AS 116, *Leases* from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of sales offices and chilling center premises (see Note 34). The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous as described in Note 1(z). Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment.

ii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

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Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

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Notes to the standalone financial statements
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Note 2 Property, Plant and Equipment and Capital work-in-progress

Particulars	Free hold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans & Milk-o-Testers	Wind and Solar Equipment	Computers	Total of Property, Plant and Equipment	Capital work-in-progress
As at 31 March 2019:												
Gross Block												
As at 31March 2018	2,893.64	6,791.48	13,319.26	765.84	154.21	1,026.86	184.05	642.98	2,644.91	555.43	28,978.66	3,425.59
Additions	41.38	1,977.64	6,474.80	273.73	81.67	36.75	49.29	6.81	-	24.29	8,966.36	6,646.90
Disposals	(6.82)	(13.59)	(629.27)	(17.10)	(11.24)	(436.36)	(5.92)	(186.62)	-	(13.53)	(1,320.45)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(8,966.36)
As at 31 March 2019	**2,928.20**	**8,755.53**	**19,164.79**	**1,022.47**	**224.64**	**627.25**	**227.42**	**463.17**	**2,644.91**	**566.19**	**36,624.57**	**1,106.13**
Accumulated Depreciation												
As at 31 March 2018	-	1,236.71	7,251.87	383.37	106.44	328.69	125.54	563.79	755.41	301.52	11,053.34	-
For the year	-	223.52	1,342.33	67.51	17.66	99.77	18.59	22.36	108.89	66.46	1,967.09	-
Disposals	-	(6.69)	(601.14)	(15.96)	(10.68)	(109.86)	(5.59)	(183.32)	-	(12.50)	(945.74)	-
As at 31 March 2019	-	**1,453.54**	**7,993.06**	**434.92**	**113.42**	**318.60**	**138.54**	**402.83**	**864.30**	**355.48**	**12,074.69**	-
Net Block as at 31 March 2019	**2,928.20**	**7,301.99**	**11,171.73**	**587.55**	**111.22**	**308.65**	**88.88**	**60.34**	**1,780.61**	**210.71**	**24,549.88**	**1,106.13**
As at 31 March 2018												
Gross Block												
As at 1 April 2017	2,872.29	6,308.80	11,814.29	667.18	145.26	1,019.16	158.59	609.29	2,664.03	320.42	26,579.31	1,256.17
Additions	21.35	482.68	1,609.42	99.49	9.05	19.45	25.46	35.54	-	239.11	2,541.55	4,763.12
Adjustments	-	-	19.12	-	-	-	-	-	(19.12)	-	-	-
Disposals	-	-	(123.57)	(0.83)	(0.10)	(11.75)	-	(1.85)	-	(4.10)	(142.20)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(2,593.70)
As at 31 March 2018	**2,893.64**	**6,791.48**	**13,319.26**	**765.84**	**154.21**	**1,026.86**	**184.05**	**642.98**	**2,644.91**	**555.43**	**28,978.66**	**3,425.59**
Accumulated Depreciation												
As at 1 April 2017	-	1,038.28	6,241.92	327.86	92.77	218.82	112.80	527.96	649.91	246.07	9,456.39	-
For the year	-	198.43	1,119.83	56.21	13.76	116.72	12.74	37.58	105.50	59.35	1,720.12	-
Disposals	-	-	(109.88)	(0.70)	(0.09)	(6.85)	-	(1.75)	-	(3.90)	(123.17)	-
As at 31 March 2018	-	**1,236.71**	**7,251.87**	**383.37**	**106.44**	**328.69**	**125.54**	**563.79**	**755.41**	**301.52**	**11,053.34**	-
Net Block as at 31 March 2018	**2,893.64**	**5,554.77**	**6,067.39**	**382.47**	**47.77**	**698.17**	**58.51**	**79.19**	**1,889.50**	**253.91**	**17,925.32**	**3,425.59**

Notes:
(i) Refer to note 33(a)(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(ii) During the year, the Company has capitalised borrowing cost amounting to Rs. 114.56 lakhs (31 March 2018 Rs. 94.23 lakhs) on qualifying assets. The weighted average rate applicable to general borrowings is 6.92%.
(iii) Free hold land located at Uthangarai, Tamilnadu to the extent of Rs. 6.50 lakhs is in the process of being transferred in the name of the Company

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Notes to the standalone financial statements (continued)
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Note 3 Intangible assets

Particulars	Computer Software	Total
As at 31 March 2019:		
Gross Block		
As at 31 March 2018	617.64	617.64
Additions	7.06	7.06
Disposals	(6.05)	(6.05)
As at 31 March 2019:	**618.65**	**618.65**
Accumulated amortisation		
As at 31 March 2018	341.29	341.29
For the year	92.54	92.54
Disposals	(5.72)	(5.72)
As at 31 March 2019:	**428.11**	**428.11**
Net Block as at 31 March 2019	**190.54**	**190.54**

Particulars	Computer Software	Total
As at 31 March 2018:		
Gross Block		
As at 1 April 2017	551.54	551.54
Additions	66.10	66.10
As at 31 March 2018	**617.64**	**617.64**
Accumulated amortisation		
As at 1 April 2017	243.23	243.23
For the year	98.06	98.06
As at 31 March 2018	**341.29**	**341.29**
Net Block as at 31 March 2018	**276.35**	**276.35**

	As at 31 March 2019	As at 31 March 2018
Note 4		
Non-current investments		
Unquoted investment in equity shares of subsidiary, valued at cost		
Nagavalli Milkline Private Limited 2,010,400 (previous year: 2,010,400) equity shares of Rs. 10 each, fully paid up	562.91	562.91
Other investments at cost		
Unquoted (Government Securities at amortised cost)		
National Savings Certificate	-	0.17
	562.91	**563.08**
Aggregate value of unquoted investments	562.91	563.08

Note 5

Other non-current financial assets
(unsecured, considered good)

	As at 31 March 2019	As at 31 March 2018
Security deposits	295.29	269.27
Fixed deposits with maturity of more than 12 months *	1.68	1.68
	296.97	**270.95**

*Fixed deposits with scheduled banks held as margin money towards bank guarantees and sales tax registration.

Note 6
Other non-current assets
(unsecured, considered good)

	As at 31 March 2019	As at 31 March 2018
Capital advances	200.71	825.49
Prepaid expenses	106.22	44.64
Others	7.38	6.96
	314.31	**877.09**

Note 7
Inventories
(Valued at lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials*	3,699.82	3,998.05
Packing materials	682.92	473.04
Finished goods**	5,405.02	7,860.38
Work-in-progress	442.07	583.10
Stock-in-trade (Animal feed)	29.33	25.21
Consumables, stores and spares	430.75	430.50
	10,689.91	**13,370.28**

*Includes skim milk powder purchased and produced by the Company.
** Includes inventory of butter which are for sale and for the purpose of reconstitution into milk and milk products.

Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is Rs. 442.13 lakhs (31 March 2018 Rs. 1,177.66 lakhs).

Note 8
Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables, unsecured		
Considered good	989.81	968.52
Credit impaired	197.64	161.69
	1,187.45	**1,130.21**
Loss allowance	(280.77)	(251.00)
	906.68	**879.21**

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.2.

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	As at 31 March 2019	As at 31 March 2018
Note 9		
Cash and cash equivalents		
Cash on hand	474.54	338.19
Cheques on hand	97.14	75.20
Balance with banks		
- In current accounts	482.32	1,378.37
- Unpaid dividend accounts	2.40	1.20
	1,056.40	1,792.96
Cash and cash equivalents as per the cash flow statement	**1,056.40**	**1,792.96**
Note 10		
Other current financial assets		
(unsecured, considered good)		
Security deposits	113.69	136.22
Advances to employees	11.28	10.58
Interest receivable	13.34	12.99
	138.31	**159.79**
Note 11		
Other current assets		
(Unsecured)		
Considered good:		
Advances to suppliers	19.32	144.94
Advances to milk suppliers	125.79	137.92
Prepaid expenses	250.73	164.17
GST receivables	107.30	490.89
Others	51.01	35.78
	554.15	**973.70**
Considered doubtful:		
Advances to suppliers	9.95	9.95
Advances to milk suppliers	34.92	34.92
Less: Allowance for doubtful advances	(44.87)	(44.87)
	-	-
	554.15	**973.70**

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	As at 31 March 2019	As at 31 March 2018
Note 12		
Share capital		
Authorised:		
15,000,000 (31 March 2018: 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Paid-up:		
11,324,700 (31 March 2018: 11,324,700) equity shares of Rs. 10/- each fully paid up	1,132.47	1,132.47
	1,132.47	**1,132.47**

Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares :				
Outstanding at the beginning of the year	1,13,24,700	1,132.47	1,13,24,700	1,132.47
Issued during the year	-	-	-	-
Balance as at the end of the year	**1,13,24,700**	**1,132.47**	**1,13,24,700**	**1,132.47**

Terms and rights attached to equity shares:

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

Number of Shares held by holding company:

	As at 31 March 2019	As at 31 March 2018
Equity shares:		
Godrej Agrovet Limited	58,79,008	58,79,008
(The ultimate parent is Godrej Industries Limited)		

Shareholders holding more than 5% shares in the company is set out below:

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
Equity shares:				
Godrej Agrovet Limited	58,79,008	51.91%	58,79,008	51.91%
K.Bhasker Reddy	8,68,500	7.67%	8,68,500	7.67%
D.Chandra Shekhar Reddy	8,35,292	7.38%	8,35,292	7.38%
C Balraj Goud	6,54,892	5.78%	6,54,892	5.78%
M Gangadhar	5,68,508	5.02%	5,68,508	5.02%

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	As at 31 March 2019	As at 31 March 2018
Note 13		
Other equity		
Retained earnings		
Opening balance	11,483.47	10,963.34
Add: Net profit for the year	1,298.21	929.03
	12,781.68	**11,892.37**
Appropriations:		
Dividend	(339.74)	(339.74)
Dividend distribution tax	(69.83)	(69.16)
Closing balance	**12,372.11**	**11,483.47**
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligation		
Opening balance	(186.67)	(93.88)
Remeasurement during the year	(59.63)	(141.90)
Tax impact	20.84	49.11
Closing balance	**(225.46)**	**(186.67)**
General reserve:		
Opening balance	1,443.72	1,443.72
Transferred from retained earnings during the year	-	-
Closing balance	**1,443.72**	**1,443.72**
Securities premium	5,720.20	5,720.20
Capital reserve	174.89	174.89
	19,485.46	**18,635.61**

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss less dividend distribution and transfers to general reserve.

Capital reserve

Capital reserve represents the excess of fair value of net assets acquired through business combinations over consideration paid.

Other comprehensive income

Remeasurements of the net defined benefit liability/(asset) comprising of actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Dividend

In respect of the year ended 31 March 2019, the directors have proposed a dividend of Rs. 3.00 per share to be paid on fully paid shares. This equity dividend is subject to approval at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Dividend would attract dividend distribution tax when declared or paid.

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	As at 31 March 2019	As at 31 March 2018

Note 14
Long-term borrowings

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
From banks, unsecured				
Term loans				
Yes Bank	196.88	295.31	98.44	65.63
Kotak Mahindra Bank	-	297.78	-	148.89
Citi Bank	2,000.00	260.00	260.00	260.00
From banks, secured				
Vehicle loans	-	1.20	-	16.16
	2,196.88	**854.29**	**358.44**	**490.68**

Term loans are unsecured and other terms are given below:

Yes Bank:
The Loan is repayable in 16 structured quarterly instalments commencing from January 2018 and carries the interest at MCLR currently 8.80% p.a.

Kotak Mahindra Bank
The Loan was repayable in 18 structured quarterly instalments commencing from six months from the date of first disbursement i.e.30 March 2016 and carried interest at MCLR. The Company has repaid the loan amount during the year.

Citi Bank
a. **Term loan of Rs. 520 lakhs:** The Loan is repayable in two tranches. 50% of draw down amount is repayable in 18 months from the date of draw down and balance 50% at the end of 36 months from the date of draw down. Loan carries the interest at Treasury Bill Rate + 0.19 spread p.a. The first tranche of the term loan of Rs. 260 lakhs has been paid during the year.

b. **Term Loan of Rs. 2,000 lakhs:** The Loan is repayable in a single tranche in April 2020. The Term Loan carries interest at one month treasury bill rate + 21 bps spread p.a.

Vehicle loans:
Vehicle loans were secured by the hypothecation of the respective vehicles. All the vehicle loans were repayable in 36 equal monthly installments from the date of draw down. Interest rate applicable was in the range of 9.50% p.a. to 10.26% p.a. The company has repaid all the vehicle loans during the year.

Note 15

Non-current provisions		
Provision for employee benefits:		
- Provision for compensated absences	116.89	134.11
- Provision for gratuity (refer note 36)	157.81	156.82
	274.70	**290.93**

Note 16

Deferred tax liabilities		
Deferred tax liabilities (net) (refer note 39)	735.64	524.44
	735.64	**524.44**

Note 17

Deferred income		
Non-current		
Deferred grant (Refer Note below)	171.09	180.43
	171.09	**180.43**

Note: Represents government grants towards cold storages under cold chain project scheme. These subsidies are received towards acquisition of depreciable assets and the amount in proportion to the depreciation is transferred to the statement of Profit and Loss. There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other forms of government assistance.

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	As at 31 March 2019	As at 31 March 2018

Note 18

Current borrowings

Unsecured		
Citi Bank- Short term loan	2,500.00	5,500.00
HDFC Bank- Working capital loan	312.35	-
Total	**2,812.35**	**5,500.00**

Terms of short term Loan/ Working capital loans:
All the above loans are unsecured and repayable within one year. Interest rate applicable is in the range of 6.10% p.a. to 6.70% p.a. for short tem loan Interest rate applicable for the working capital loan is in the range of 8.05% p.a. to 8.40% p.a.

Note 19

Trade payables

Trade Payables		
dues to micro and small enterprises (refer note 42)	394.30	242.48
dues to other than micro and small enterprises	4,146.35	4,562.02
Acceptances	4,972.01	5,119.82
	9,512.66	**9,924.32**

Trade payables includes payables to related parties Rs. 299.67 lakhs (31 March 2018 Rs. Rs. 464.69 lakhs). Refer note 40.

Note 20

Other financial liabilities - Current

Current maturities of long-term debt (refer note 14)	358.44	490.68
Security deposits	1,326.87	1,161.16
Capital creditors	880.12	730.01
Employee related payables	489.65	429.31
Interest accrued but not due on borrowings	20.31	5.29
Unclaimed dividend	2.40	1.20
Provision for expenses	370.55	237.11
	3,448.34	**3,054.76**

Note 21

Other current liabilities

Advances from customers	356.35	275.69
Statutory liabilities	209.69	195.11
	566.04	**470.80**

Note 22

Deferred income

Current		
Deferred grant (refer note 17)	9.34	9.34
	9.34	**9.34**

Note 23

Provisions

Current		
Provision for employee benefits:		
- Provision for compensated absences	112.61	46.42
- Provision for gratuity (refer note 36)	100.00	68.95
	212.61	**115.37**

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	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 24		
Revenue from operations		
Sale of products	1,15,039.63	1,15,098.88
Other operating revenue:		
Sale of power	157.20	196.97
Processing charges	103.88	30.68
Scrap sales	96.36	79.62
Sale of animal feed	714.59	359.40
	1,16,111.66	**1,15,765.55**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	1,20,521.02	
Adjustments for:		
Discounts and incentives	(4,409.36)	
	1,16,111.66	
Note 25		
Other income		
Interest income	28.22	35.69
Amortisation of government grants (refer note 17)	9.34	14.79
Net gain on sale of investments	19.20	17.96
Liabilites no longer required written back	73.81	21.43
Bad bebts recovered	0.80	15.95
Miscellaneous income	191.53	153.70
	322.90	**259.52**
Note 26		
Cost of materials consumed		
Raw materials:		
Material at the commencement of the year	3,998.05	3,392.56
Add : Purchases*	83,168.25	92,414.88
Less: Raw material at the end of the year	3,699.82	3,998.05
	83,466.48	**91,809.39**
Packing materials:		
Material at the Commencement of the year	473.04	503.70
Add : Purchases*	4,579.04	4,091.35
Less: Packing material at the end of the year	682.92	473.04
	4,369.16	**4,122.01**
	87,835.64	**95,931.40**

* Represents the balacing figure and includes certain production/ procurement overheads.

Note 27		
Changes in inventories		
At the commencement of the year		
Stock-in-trade	25.21	-
Work-in-progress	583.10	543.29
Finished goods	7,860.38	5,231.19
	8,468.69	**5,774.48**
At the end of the year		
Stock-in-trade	29.33	25.21
Work-in-progress	442.07	583.10
Finished goods	5,405.02	7,860.38
	5,876.42	**8,468.69**
	2,592.27	**(2,694.21)**

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	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 28		
Employee benefits expense		
Salaries, wages and bonus	5,665.77	5,186.28
Contribution to provident and other funds	349.63	327.62
Gratuity (refer note 36)	99.75	110.44
Compensated absences	104.65	42.89
Staff welfare expense	400.92	271.47
	6,620.72	**5,938.70**
Note 29		
Finance costs		
Interest expense on:		
Long-term loans	97.90	106.33
Short-term loans	97.44	167.30
Vehicle loans	0.83	4.08
Others	8.36	0.06
	204.53	**277.77**
Note 30		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,967.09	1,720.12
Amortization of intangible assets	92.54	98.06
	2,059.63	**1,818.18**
Note 31		
Other expenses		
Consumption of stores and spares	630.57	606.42
Power and fuel	2,333.20	2,244.11
Rent	192.94	212.79
Rates and taxes	156.28	203.80
Repairs and maintenance:		
- Machinery	463.96	415.14
- Buildings	21.53	30.91
- Other assets	317.56	268.77
Other manufacturing expenses	2,825.22	2,329.68
Travelling and conveyance	564.25	560.68
Professional and consultancy charges	462.49	723.65
Office maintenance	22.37	26.28
Auditor's remuneration (refer note below)	25.84	27.32
Bad debts written off	-	0.22
Allowances for doubtful debts and advances	139.32	133.71
Loss on sale/scrapping of property, plant and equipment, net	40.56	8.79
Selling, distribution and advertisement	5,248.99	4,310.52
Corporate social responsibility (refer note 41)	68.62	43.29
Miscellaneous expenses	930.31	798.06
	14,444.01	**12,944.14**

Note:

Statutory audit fee*	18.00	17.76
Other services	7.50	7.50
Reimbursement of expenses	0.34	2.06
	25.84	**27.32**

* includes fees paid to auditors of the subsidiary company.

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Note 32: Earnings per share

Computation of earnings per share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Calculation of weighted average number of equity shares:		
Basic and diluted:		
Number of equity shares outstanding at the beginning of the year	1,13,24,700	1,13,24,700
Number of shares issued during the year	-	-
Weighted average number of equity shares outstanding at the end of the year	**1,13,24,700**	**1,13,24,700**
Profit attributable to equity shareholders	1,298.21	929.03
Earnings per equity share (face value of share Rs.10 each):		
- Basic earnings per share	11.46	8.20
- Diluted earnings per share	11.46	8.20

Note 33: Contingent liabilities and commitments

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,558.51	2,035.72
(ii) Export obligation under EPCG (refer note below)	127.29	463.86

The total customs duty saved against EPCG licenses was Rs. 46.53 lakhs. Out of this, since the Company was unable to fullfill the export obligations, the customs department has encashed Bank guarantees amounting to Rs. 33.73 lakhs.

b. Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)		
(i) Income tax*	72.67	38.21
(ii) Indirect tax cases*	29.94	29.94
(iii) Other matters	153.84	154.02

* Tax paid under protest as at 31 March 2019: Rs. 43.43 lakhs (31 March 2018 - Rs. 35.45 lakhs).

c.The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

Note 34: Leases

The Company has taken rental premises on cancellable operating leases. Lease rentals under such cancellable leases amounting to Rs. 192.94 lakhs (31 March 2018: Rs. 212.79 lakhs) has been charged to Statement of profit and loss. There are no non-cancellable leases.

Note 35: Segment reporting

The Company is in the business of processing and selling milk and milk products. The Management is of the view that the risks and returns for these products are not significantly different. The Company has a single reportable segment which is reviewed by the Chief Operating Decision Maker (CODM), who is Chief Executive Officer of the company. Further, The Company operates within India and does not have operations in economic environments with different risk and returns. Hence, it is considered as operating in a single geographical segment. Revenue, results, assets and liabilities of power segment are not material (lower than 1% of total revenue) and hence is not a reportable segment.

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Note. 36 Assets and liabilities related to employee benefits (continued)

Remeasurements recognised in other comprehensive income :

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial loss/(gain) arising from Defined Benefit Obligation	58.90	50.65
Return on plan assets excluding interest income	0.73	2.62
	59.63	**53.27**

Plan assets:
Plan assets comprise of the following:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Group Gratuity cum Life Assurance with LIC	377.42	294.74
Coverage of plan asset	100%	100%

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.15%	7.50%
Future salary growth	5.00%	5.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(25.08)	27.41	(21.12)	23.06
Future salary growth (1% movement)	27.02	(25.09)	22.47	(20.96)
Rate of employee turnover (50% of attrition rate)	13.16	(25.98)	15.58	(28.85)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution
The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs. 100 lakhs (31 March 2018: Rs. 68.95 lakhs).

Expected future cash flows:
The expected future cash flows in respect of gratuity as at Balance sheet dates were as follows (undiscounted):

Expected future benefit payments	As at 31 March 2019	As at 31 March 2018
March 31, 2020	211.25	141.42
March 31, 2021	93.22	99.39
March 31, 2022	81.48	74.00
March 31, 2023	65.27	62.69
Thereafter	449.84	384.29
	901.06	**761.79**

C) Other long-term employee benefits:
The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and the amount charged to the statement of profit and loss is Rs. 104.65 lakhs (31 March 2018 Rs. 42.89 lakhs)

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Note. 36 Assets and liabilities related to employee benefits

A) Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the statement of profit and loss is Rs. 270.28 lakhs (31 March 2018: Rs. 258.69 lakhs).

B) Defined benefit plan

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who have joined w.e.f. 1 November 2017 are eligible for gratuity after completion of continuous service for a period of 5 years. Employees who have joined prior to 1 Nov 2017 are eligible for gratuity from the date of joining as per their employment agreements. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity payable to employees beyond 5 years of employment is a funded plan and the Company makes contributions to LIC of India. For employees eligible for gratuity from 1 to 5 years, unfunded and payable directly by the Company. Liability with regard to this plan is determined based on actuarial valuation as at the end of the year and are charged to the statement of profit and loss.

Funding

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Net defined benefit obligation as at balance sheet date:

	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	635.23	520.51
Fair value of plan assets	(377.42)	(294.74)
Net defined benefit (obligation)/assets	**257.81**	**225.77**

Movement in net defined benefit obligation and plan assets:

The following table shows a reconciliation from the opening balances to the closing balances:

	Defined benefit obligation		Fair value of plan assets	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Opening balance	**520.51**	**379.54**	**294.74**	**248.53**
Current service cost	82.83	65.27	-	-
Past service cost	-	34.70	-	-
Interest cost/ Interest income on plan assets	39.01	30.34	22.09	19.87
Benefits paid	(66.02)	(39.99)	(38.68)	(39.99)
Contributions paid by the employer	-	-	100.00	68.95
Actuarial loss (gain) arising from:				
Demographic assumptions	-	44.16	-	-
Financial assumptions	9.02	16.97	-	-
Experience adjustment	49.88	(10.48)	-	-
Return on plan assets excluding interest		-	(0.73)	(2.62)
Closing balance	**635.23**	**520.51**	**377.42**	**294.74**

Effect of any Amendments, Curtailments and Settlements:

During the year ended 31 March 2019, there has been no amendment to the benefit plan arrangement. However, for the year ended 31 March 2018, the past service cost of Rs. 34.70 lakhs had been recognised in the statement of profit and loss, due to change in gratuity ceiling limit from Rs. 10 lakhs to Rs. 20 lakhs as per the new legal requirement in the country.

Expense recognized in the Standalone statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	82.83	65.27
Past service cost	-	34.70
Net interest cost	16.92	10.47
	99.75	**110.44**

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Note 37: Financial instruments – Fair values and risk management

Note 37.1: Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2019:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Trade receivables	-	906.68	906.68	-	-	-	-
Cash and cash equivalents	-	1,056.40	1,056.40	-	-	-	-
Other financial assets	-	435.27	435.27	-	-	-	-
	-	**2,398.35**	**2,398.35**	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	5,009.23	5,009.23	-	-	-	-
Trade payables	-	9,512.66	9,512.66	-	-	-	-
Other financial liabilities	-	3,448.34	3,448.34	-	-	-	-
	-	**17,970.23**	**17,970.23**	-	-	-	-

As at 31 March 2018:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	0.17	0.17	-	-	-	-
Trade receivables	-	879.21	879.21	-	-	-	-
Cash and cash equivalents	-	1,792.96	1,792.96	-	-	-	-
Other financial assets	-	430.74	430.74	-	-	-	-
	-	**3,103.08**	**3,103.08**	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	6,354.29	6,354.29	-	-	-	-
Trade payables	-	9,924.32	9,924.32	-	-	-	-
Other financial liabilities	-	3,054.76	3,054.76	-	-	-	-
	-	**19,333.37**	**19,333.37**	-	-	-	-

Note

Investments in subsidiary have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purpose of measurement , the same are not disclosed in the table above.

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

Note 37.2: Financial risk management objectives and policies

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

A) Credit risk
B) Liquidity risk
C) Market risk
(i) Currency risk
(ii) Interest rate risks

Risk management framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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Note 37: Financial instruments – Fair values and risk management (continued)

Note 37.2: Financial risk management objectives and policies (continued)

A) Credit risk

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

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company operates only in one geographical location i.e in India.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further the company segments the customers into Distributors, Agents, Modern trade parties and others for credit monitoring.

The Company maintains security deposits for sales made to its customers. The Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The carrying amounts of trade receivables as disclosed in note no 8 represent the maximum credit risk exposure.

Impairment

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables other than from government bodies and Modern trade parties are in default, if the payments are due more than 180 days past due.

The ageing of trade receivables that are past due and expected credit loss are given below:

Year	1 to 30 days	31 to 90 days	91 to 180 days	Above 180 days	Gross receivables	ECL/ Impairment	Net trade receivables
As at 31 March 2019	551.66	201.01	84.65	350.13	**1,187.45**	280.77	**906.68**
As at 31 March 2018	607.50	225.73	98.73	198.25	**1,130.21**	251.00	**879.21**

The movement in loss allowance in respect of trade receivables is as follows:

	As at 31 March 2019	As at 31 March 2018
Opening	251.00	125.46
Loss allowance recognised	139.32	125.54
Amounts written off	(109.55)	-
Closing	**280.77**	**251.00**

Other financial assets

This comprises mainly of balances with banks, deposits with Government authorities and other receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are banks and government organizations. The Company considers that its balances with banks have low credit risk based on the external credit ratings of the counterparties. The Company has created the loss allowance for other receivables on specific identification basis.

The movement in loss allowance in respect of other financial assets is as follows:

	As at 31 March 2019	As at 31 March 2018
Opening	44.87	36.70
Loss allowance recognised	-	8.17
Closing	**44.87**	**44.87**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 37: Financial instruments – Fair values and risk management (continued)

Note 37.2: Financial risk management objectives and policies (continued)

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled b delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidit to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to th Company's reputation.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude th impact of netting agreements.

As at 31 March 2019	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than : years
Non-derivative financial liabilities:						
Term loans (including current maturities)	2,555.32	46.88	311.56	2,112.50	84.38	-
Current borrowings	2,812.35	2,812.35	-	-	-	-
Trade payables	9,512.66	9,512.66	-	-	-	-
Other financial liabilities (excluding current maturities)	3,089.90	3,089.90	-	-	-	-
	17,970.23	**15,461.79**	**311.56**	**2,112.50**	**84.38**	**-**

As at 31 March 2018	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than : years
Non-derivative financial liabilities:						
Term loans (including current maturities)	1,327.61	362.57	111.94	507.33	345.77	-
Vehicle loans	17.36	12.13	4.03	1.20	-	-
Current borrowings	5,500.00	5,500.00	-	-	-	-
Trade payables	9,924.32	9,924.32	-	-	-	-
Other financial liabilities (excluding current maturities)	2,564.08	2,564.08	-	-	-	-
Total	**19,333.37**	**18,363.10**	**115.97**	**508.53**	**345.77**	**-**

C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of it holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameter: while optimising the return.

Our Board of Directors and Audit Committee are responsible for overseeing our risk assessment and management policies. Our major market risks of foreig exchange and interest rate risk are managed by our treasury department, which evaluates and exercises independent control over the entire process of marke risk management.

Currency risk:
The functional currency of group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominate are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily i foreign currency are import of machineries and spares. There are no foreign currency revenue. There are no foreign currency receivables or payables as at 3 March 2019 and 31 March 2018.

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Note 37: Financial instruments – Fair values and risk management (continued)

Note 37.2: Financial risk management objectives and policies (continued)

C) Market risk (continued)

Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

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

	As at 31 March 2019	As at 31 March 2018
Fixed-rate instruments		
Vehicle loans	-	17.36
Variable -rate instruments		
Long-term and short-term borrowings	5,367.67	6,827.61
	5,367.67	**6,844.97**

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	31 March 2019 Profit/ (loss)		31 March 2018 Profit or (loss)	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
Variable-rate instruments (Movements - 100 basis points)	(53.68)	53.68	(68.28)	68.28
Cash flow sensitivity (net)	**(53.68)**	**53.68**	**(68.28)**	**68.28**

Fair value sensitivity analysis for fixed-rate instruments:

The Group does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Note 38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt as defined as interest-bearing loans and borrowings less cash and cash equivalents. Adjusted Equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at balance sheet dates are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest bearing loans and borrowings	5,367.67	6,844.97
Less: cash and cash equivalents	(1,056.40)	(1,792.96)
Adjusted net debt	**4,311.27**	**5,052.01**
Total equity	20,617.93	19,768.08
Adjusted net debt to total equity ratio	**0.21**	**0.26**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 39. Tax expense

The major component of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(a) Amounts recognised in the statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Tax expense		
Current tax:		
- Normal tax	-	491.87
- MAT for the year	421.62	-
Deferred tax (including MAT credit entitlement)	232.04	70.23
Deferred tax asset on net remeasurements of post employment obligations	(20.84)	(49.11)
	632.82	**512.99**
Earlier year tax	52.15	(74.20)
	684.97	**438.79**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate are as follows:

A) Current tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax including OCI	1,944.39	1,275.03
Income tax rate of Company's domestic tax rate	34.944%	34.608%
Tax using Company's domestic tax rate	679.45	441.26
Tax effects of :		
Non-deductible expenses (net)	52.21	39.56
Indexation benefit on freehold land	(30.33)	(21.52)
Special tax deductions	(14.65)	(13.18)
Adjustment of tax expense relating to earlier periods	(1.70)	(7.33)
	684.97	**438.79**

B) Deferred tax

Particulars	Balance as at 1 April 2017	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2018	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2019
Deferred tax liabilities:					
Accelerated depreciation for tax purposes	936.43	95.56	1,031.99	370.36	1,402.35
Deferred tax assets:					
Indexation benefit on freehold land	(253.96)	(21.52)	(275.48)	(30.33)	(305.81)
MAT credit entitlement	-	-	-	(69.47)	(69.47)
Provision for employee benefits	(111.31)	(18.36)	(129.67)	(29.62)	(159.29)
Expenditure allowable on payment basis	(11.72)	11.72	-	(18.34)	(18.34)
Loss allowance for trade receivables and advances	(56.12)	(46.28)	(102.40)	(11.40)	(113.80)
Deferred tax liabilities, net	**503.32**	**21.12**	**524.44**	**211.20**	**735.64**

Notes:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

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Note 40: Related party disclosures

As per the Indian Accounting Standard on "Related Party Disclosures".(IND AS 24), the related parties of the Company are as follows:

I. Name of related parties and nature of relationships:

(i) Ultimate Holding Company:
Godrej Industries Limited

(ii) Holding Company:
Godrej Agrovet Limited (GAVL)

(iii) Subsidiary Companies:
Nagavalli Milkline Private Limited (wholly owned subsidiary of Creamline Dairy Products Limited)

(iv) Key Management Personnel and relatives of such Personnel

1	K. Bhasker Reddy	(Managing Director – Managerial Services)
2	M. Gangadhar	(Executive Director – Managerial Services)
3	D. Chandra Shekher Reddy	(Executive Director – Managerial Services)
4	C. Balraj Goud	(Executive Director – Managerial Services)
5	Raj Kanwar Singh	(Chief Executive Officer & Whole Time Director effective from January 29, 2018)
6	Govind Panduranga Shelar	(Chief Financial Officer - Till 31 January 2019)
7	K.V. Ramachandra Rao	(Chief Financial Officer - Effective from 3 January 2019)
8	Mr S.Raghava Reddy	(Company Secretary)
9	Sandhya Kondapalli	(Wife of K.Bhasker Reddy)
10	Rama Kumari Mandava	(Wife of M.Gangadhar)
11	Deepika Devireddy	(Wife of D. Chandra Shekher Reddy)
12	Mangaraj Chinthala	(Wife of C.Balraj Goud)

(v) Other entities controlled by Key management personnel and their relatives

1. Khammam Milkline Private Limited
2. Dhulipalla Milkline Private Limited
3. Mohan Milkline Private Limited
4. Vidya Milkline Private Limited
5. Ongole Milkline Private Limited
6. Pamuru Milkline Private Limited
7. Kavali Milkline Private Limited
8. Pragathi Milkline Private Limited
9. Orga Farms Private Limited
10. My Village Model Village Foundation
11. Prima Food tech Private Limited

(vi) Other group entities

1. Godrej & Boyce Manufacturing Company Limited
2. Godrej Consumer Products Limited
3. Godrej Tyson Foods Limited

Creamline Dairy Products Limited
6-3-1238/B/21, Asif Avenue, Somajiguda, Hyd-82.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011 India
Chartered Accountants

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 40: Related party disclosures (continued)

II. Related party transactions during the year:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A Ultimate Holding Company:		
Godrej Industries Limited		
Sale of products	117 33	-
B Holding Company - Godrej Agrovet Limited		
Reimbursement of expenses	180 35	21 83
Sale of products	6.65	-
Purchase of traded goods and others	727 79	513 44
Inter corporate deposit received and repaid	2,000 00	-
Interest on inter corporate deposit	7 24	-
Dividend paid	176 37	176 37
C Fellow subsidiaries		
Godrej & Boyce Manufacturing Company Limited		
Purchases of materials	13 10	39 28
Godrej Consumer Products Limited		
Purchase of property, plant and equipment	207 29	6 74
Sale of products	4 30	-
Godrej Tyson Foods Limited		
Sale of power	18 15	-
Sale of products	0 77	
D Key Management Personnel ('KMP') and relatives		
Short Term Employee Benefit:		
K Bhasker Reddy	92 93	92 93
M Gangadhar	74 80	74 80
D Chandra Shekher Reddy	92 84	92.84
C BalrajGoud	92 80	74 80
Raj Kanwar Singh	173.00	162 28
K V Ram Chandra Rao	12 87	-
Govind Panduranga Shelar	36 88	13 79
S.Raghava Reddy	15 45	12 31
Sandhya Kondapalli	29.02	29 02
Deepika Devireddy	29 02	29 02
Mangaraj Chinthala	29 02	29 02
Rama Kumari Mandava	29.02	29 02

Note: Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
E Dividend paid		
K Bhasker Reddy	26 06	26 06
M Gangadhar	17 06	17 06
D Chandra Shekher Reddy	25 06	25 06
C BalrajGoud	19 65	19 65
Sandhya Kondapalli	8 70	8 70
Deepika Devireddy	6 15	6 15
Mangaraj Chinthala	13 03	13 03
Rama Kumari Mandava	7 54	7 54

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(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 40: Related party disclosures (continued)

II. Related party transactions during the year: (continued)

Particulars	**31 March 2019**	**31 March 2018**
F Enterprise over which KMP exercise significant influence with relatives		
Purchases of milk		
Ongole Milkline Private Limited	2,999.26	3,371.27
Mohan Milkline Private Limited	3,560.73	3,916.71
Vidya Milkline Private Limited	886.41	1,063.40
Khammam Milkline Private Limited	1,575.92	1,763.91
Pamuru Milkline Private Limited	1,180.24	1,300.45
Kavali Milkline Private Limited	2,783.94	3,011.86
Pragathi Milkline Private Limited	558.26	648.82
Dhulipalla Milkline Private Limited	9.25	171.88
Orga Farms Private Limited	31.65	188.78
Prima FoodTech Private Limited	43.69	25.99
Sale of products		
Khammam Milkline Private Limited	19.30	19.37
My Village Model Village Foundation		
Corporate Social Responsibility	5.00	5.00
G Director Sitting Fees	7.40	2.70
H Rent paid to relaties of Key Management Personnel		
Sandhya Kondapalli	16.54	16.54
Rama Kumari Mandava	16.47	16.47
Deepika Devireddy	16.47	16.47
Mangaraj Chinthala	16.47	16.47

III. Related party balances at the end of the year:

Particulars	**31 March 2019**	**31 March 2018**
A Ultimate Holding Company:		
Godrej Industries Limited		
Trade receivable	6.00	-
B Subsidiary Company- Nagavalli Milkline Private Limited		
Reimbursement of expenses	3.72	3.45
C Holding Company - Godrej Agrovet Limited		
Trade payables, net	133.69	67.97
D Fellow subsidiaries		
Godrej Tyson Foods Limited		
Trade receivable	18.15	-
E Enterprise over which KMP exercise significant influence with relatives:		
Trade payables:		
Kavali Milkline Private Limited	30.45	56.03
Khammam Milkline Private Limited	54.96	65.32
Mohan Milkline Private Limited	22.72	98.95
Orgaa Farms Private Limited	-	6.56
Pamuru Milk Line Private Limited	14.06	12.70
Pragathi Milkline	5.95	12.34
Vidya MilkLine Private Limited	11.16	26.24
Ongole MilkLine Private Limited	22.20	74.04
Dhulipalla MilkLine Private Limited	-	5.65
Prima FoodTech Private Limited	4.48	8.49
F Payable to key management personnel		
K V Ramchandra Rao	1.43	-
Raj Kanwar Singh	40.80	-
S.Raghava Reddy	1.85	-

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(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 41 : Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spend by the Company	68.88	66.40
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Contribution to NGOs	5.00	5.00
Amount spent by the Company on various welfare activities	63.62	38.29
Total amount spent	**68.62**	**43.29**

Note 42 : Dues to micro and small enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	394.30	242.48
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
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 under MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Note 43 : Borrowings movement

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities for movement in the statement of cash flow are given below:

Particulars	As at 1 April 2017	Cash flow	As at 31 March 2018	Cash flow*	As at 31 March 2019
Long-term borrowings	1,554.74	(209.77)	1,344.97	1,210.35	2,555.32
Short-term borrowings	3,827.90	1,672.10	5,500.00	(2,687.65)	2,812.35
	5,382.64	**1,462.33**	**6,844.97**	**(1,477.30)**	**5,367.67**

*There are no non cash transactions from financing activities. During the year, short-term loan of Rs. 2,000 lakhs was converted into term loan.

Note 44 : Merger of Nagavalli Milkline Private Limited

As a part of a reorganization plan, Board of Directors of the Company and its wholly owned subsidiary, Nagavalli Milkline Private Limited ('Nagavalli') ha in their respective board meetings held on 2 May 2018 unanimously approved the proposal for the amalgamation of Nagavalli with CDPL, subject to t necessary statutory / regulatory approvals. Accordingly, a scheme of amalgamation has been filed with the National Company Law Tribunal ('NCLT') und Sections 230 to 232 of the Companies Act, 2013 and under applicable rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 20 with an appointed date of 1 April 2018. Pending approval of NCLT, no effect of the scheme has been given in the financial statements.

As per the scheme filed with the NCLT, the amalgamation will be accounted for in accordance with 'pooling of interest' method, prescribed under Appendix to Ind AS 103 "Business Combinations" and/or such other Ind AS, as may be applicable, as amended from time to time.

Note 45: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been ma since the requirement does not pertain to financial year ended 31 March 2019.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

K Bhasker Reddy
Managing Director
DIN: 00014291

M Gangadhar
Executive Director
DIN:00014325

D.Chandra Shekher Reddy
Executive Director
DIN: 00063691

C.Balraj Goud
Executive Director
DIN: 00063719

Place: Mumbai
Date: 29 April 2019

Raj Kanwar Singh

Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
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Independent Auditors' report
To the Members of Creamline Dairy Products Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Creamline Dairy Products Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of the subsidiary as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

Creamline Dairy Products Limited
Independent Auditors' report (continued)

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

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

Creamline Dairy Products Limited
Independent Auditors' report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 195.20 lakhs as at 31 March 2019, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Creamline Dairy Products Limited
Independent Auditors' report (continued)

Report on Other Legal and Regulatory Requirements

1.(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the subsidiary, as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 33(b) to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary incorporated in India during the year ended 31 March 2019.

iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

Creamline Dairy Products Limited
Independent Auditors' report (continued)

Report on Other Legal and Regulatory Requirements (continued)

(C) With respect to the matter to be included in the Audit Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of the subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399

Place: Mumbai
Date: 29 April 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Creamline Dairy Products Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Creamline Dairy Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

Creamline Dairy Products Limited
Annexure A to the Independent Auditors' report on the consolidated financial statements (continued)

Auditors' Responsibility (continued)

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the subsidiary company incorporated in India, is based on the corresponding report of the auditors of the subsidiary company.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Consolidated balance sheet
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	24,743.76	18,119.20
Capital work-in-progress	2	1,106.13	3,425.59
Goodwill	3	367.97	367.97
Other intangible assets	3	190.54	276.35
Financial assets			
Non-current investments	4	-	0.17
Other financial assets	5	296.97	270.95
Non-current tax assets (net)		191.53	178.58
Other non-current assets	6	314.31	877.09
Total non-current assets		**27,211.21**	**23,515.90**
Current assets			
Inventories	7	10,689.91	13,370.28
Financial assets			
Trade receivables	8	902.96	875.76
Cash and cash equivalents	9	1,057.80	1,794.35
Other financial assets	10	138.31	159.79
Other current assets	11	554.15	973.71
Total current assets		**13,343.13**	**17,173.89**
Total assets		**40,554.34**	**40,689.78**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,132.47	1,132.47
Other equity	13	19,481.98	18,632.39
Total equity		**20,614.45**	**19,764.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,196.88	854.29
Provisions	15	274.70	290.93
Deferred tax liabilities, net	16	735.64	524.44
Deferred income	17	171.09	180.43
Total non-current liabilities		**3,378.31**	**1,850.09**
Current liabilities			
Financial liabilities			
Borrowings	18	2,812.35	5,500.00
Trade payables	19		
a) Total outstanding dues of micro and small enterprises		394.30	242.48
b) Total outstanding dues of other than micro and small enterprises		9,118.36	9,681.84
Other financial liabilities	20	3,448.58	3,055.00
Other current liabilities	21	566.04	470.80
Deferred income	22	9.34	9.34
Provisions	23	212.61	115.37
Total current liabilities		**16,561.58**	**19,074.83**
Total liabilities		**19,939.89**	**20,924.92**
Total Equity and liabilities		**40,554.34**	**40,689.78**

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

K Bhasker Reddy
Managing Director
DIN: 00014291

M Gangadhar
Executive Director
DIN:00014325

D.Chandra Shekher Reddy
Executive Director
DIN: 00063691

C.Balraj Goud
Executive Director
DIN: 00063719

Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Consolidated Statement of Profit and Loss
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	24	1,16,111.66	1,15,765.55
Other income	25	322.90	259.52
Total income		**1,16,434.56**	**1,16,025.07**
Expenses			
Cost of materials consumed	26	87,835.65	95,931.39
Purchase of traded goods		673.74	366.09
Changes in inventories	27	2,592.27	(2,694.21)
Excise duty		-	26.08
Employee benefits expense	28	6,620.72	5,938.70
Finance costs	29	204.53	277.77
Depreciation and amortisation expense	30	2,059.63	1,818.18
Other expenses	31	14,444.26	12,944.42
Total expenses		**1,14,430.80**	**1,14,608.42**
Profit before tax		**2,003.76**	**1,416.65**
Tax expense:	39		
Current tax:			
- Normal tax		-	491.87
- MAT for the year		421.62	-
Deferred tax (including MAT credit entitlement)		232.04	70.23
Earlier year tax		52.15	(74.20)
		705.81	**487.90**
Net profit for the year		**1,297.95**	**928.75**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	36	(59.63)	(141.90)
Deferred tax	39	20.84	49.11
Total other comprehensive income for the year		(38.79)	**(92.79)**
Total comprehensive income for the year		**1,259.16**	**835.96**
Earnings per share			
Basic earnings per share of Rs. 10 each	32	11.46	8.20
Diluted earnings per share of Rs. 10 each	32	11.46	8.20

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S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Consolidated Cash Flow Statement
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities :		
Profit before tax	2,003.76	1,416.65
Adjustment for:		
Depreciation and amortisation expense	2,059.63	1,818.18
Loss on sale of property, plant and equipment, net	40.56	8.79
Profit on sale of investments (net)	(19.20)	(17.96)
Amortisation of government grants	(9.34)	(14.79)
Interest income	(16.58)	(14.01)
Finance costs	204.53	277.77
Allowances for doubtful debts and advances	139.32	133.71
Investments written off	0.17	-
Liabilities no longer required written back	(73.81)	(21.43)
Bad debts written off/(Recovered), net	(0.80)	(15.95)
Operating profit before working capital changes	**4,328.24**	**3,570.96**
Inventories	2,680.37	(3,358.71)
Trade receivables	(53.01)	(516.36)
Other non-current assets and current assets	357.56	(718.05)
Other financial Assets	(4.19)	(54.33)
Trade payables	(451.66)	6,113.68
Employee benefit obligations	21.38	45.19
Other financial liabilities	360.57	108.50
Other current liabilities	95.24	173.82
Cash generated from operations	**7,334.50**	**5,364.70**
Taxes paid (net of refunds received)	(486.72)	(543.68)
Net cash flow from operating activities	**6,847.78**	**4,821.02**
Cash flow from investing activities :		
Payments for property, plant and equipment (net of capital advances, capital creditors and capital work-in-progress)	(5,879.06)	(5,182.40)
Proceeds from sale of property, plant and equipment	334.47	10.24
Purchase and sale of short-term investments, net	19.20	17.96
Interest received	16.24	11.81
Net cash used in investing activities	**(5,509.15)**	**(5,142.39)**
Cash flow from financing activities :		
Net proceeds from short-term borrowings	(687.65)	1,672.10
Repayment of long-term borrowings	(789.64)	(209.77)
Proceeds from inter-corporate deposits	2,000.00	-
Repayment of inter-corporate deposits	(2,000.00)	-
Finance costs	(189.52)	(294.82)
Dividend paid	(338.54)	(338.54)
Dividend tax paid	(69.83)	(69.16)
Net cash from /(used in) financing activities	**(2,075.18)**	**759.81**
Net increase/ (decrease) in cash and cash equivalents	**(736.55)**	**438.44**
Cash and cash equivalents at the beginning of the year (refer note 9)	1,794.35	1,355.91
Cash and cash equivalents at the end of the year (refer note 9)	**1,057.80**	**1,794.35**

Refer note 43 for reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

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

As per our report of even date attached
for **B S R & Co. LLP**
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K V Ramchandra Rao
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S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Creamline Dairy Products Limited
Consolidated statement of changes in equity
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

(a) Equity share capital

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the reporting year	1,132.47	1,132.47
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**1,132.47**	**1,132.47**

(b) Other equity

As at 31 March 2019	Retained earnings	General reserve	Securities premium	Capital reserves	Other comprehensive Income	Total
Balance at 31 March 2018	**11,480.25**	**1,443.72**	**5,720.20**	**174.89**	**(186.67)**	**18,632.39**
Total comprehensive income for the year						
Profit for the year	1,297.95	-	-	-	-	1,297.95
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(38.79)	(38.79)
Total comprehensive income for the year	**1,297.95**	-	-	-	**(38.79)**	**1,259.16**
Transactions with the owners of the Company:						
Dividend	(339.74)	-	-	-	-	(339.74)
Dividend distribution tax	(69.83)	-	-	-	-	(69.83)
Balance at 31 March 2019	**12,368.63**	**1,443.72**	**5,720.20**	**174.89**	**(225.46)**	**19,481.98**

As at 31 March 2018	Retained earnings	General reserve	Securities premium	Capital reserves	Other comprehensive Income	Total
Balance at 1 April 2017	**10,960.40**	**1,443.72**	**5,720.20**	**174.89**	**(93.88)**	**18,205.33**
Total comprehensive income for the year						
Profit for the year	928.75	-	-	-	-	928.75
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(92.79)	(92.79)
Total comprehensive income for the year	**928.75**	-	-	-	**(92.79)**	**835.96**
Transactions with the owners of the Company:						
Dividend	(339.74)	-	-	-	-	(339.74)
Dividend distribution tax	(69.16)	-	-	-	-	(69.16)
Balance at 31 March 2018	**11,480.25**	**1,443.72**	**5,720.20**	**174.89**	**(186.67)**	**18,632.39**

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

As per our report of even date attached
for **B S R & Co. LLP**
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Koosai Lehery
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Membership No. 112399

for and on behalf of the Board of Directors of
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Chief Executive Officer

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Chief Financial Officer

S Raghava Reddy
Company Secretary

Place: Mumbai
Date: 29 April 2019

Group overview:

Creamline Dairy Products Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at # 6-3-1238/B/21, Asif Avenue, Raj Bhavan Road, Hyderabad.

These consolidated statements comprise the Company and its subsidiary, Nagavalli Milkline Private Limited (referred to collectively as the 'Group'). The Group is principally engaged in milk procurement, processing of milk and manufacturing and selling of milk and milk products. The Holding Company is also engaged in generation of power through renewable energy sources.

Details of the subsidiary considered for consolidation purpose is given below:

Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31 March 2019	Proportion of ownership interest as at 31 March 2018
Nagavalli Milkline Private Limited (Refer note 45)	India	100%	100%

1. Significant accounting policies

a) Statement of compliance

The consolidated financial statements of the Group ('financial statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

New and amended standards adopted by the Company

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the modified retrospective method. This method requires the recognition of the cumulative effect of initially applying Ind AS 115 to retained earnings and not to restate prior years. Overall, the application of this standard did not have any impact on the revenue streams from the sale of products and other operating income.

b) Basis of preparation

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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c) Principles of consolidation

The consolidated financial statements ('financial statements') have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits / losses, unless cost/revenue cannot be recovered, if any.

The excess of cost to the Company of its investment in subsidiary, on the acquisition dates over and above the Company's share of equity in the subsidiary, is recognised as 'Goodwill on Consolidation' being an asset in the financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for.

d) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Group's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

e) Key estimates and assumptions

While preparing the financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the restated statement of assets and liabilities and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

  Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

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- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

f) Fair value measurement:

The Group's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

g) Current and non-current classification

All assets and liabilities in the balance sheet are classified into current and non-current as required under Schedule III reporting framework.

Assets

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

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

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

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. It is expected to be settled in the Group's normal operating cycle;
ii. It is held primarily for the purpose of being traded;
iii. It is due to be settled within 12 months after the reporting date; or
iv. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Operating cycle

The Group has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

h) Revenue

Sale of goods

The Group is engaged in sale of milk, milk products, animal feed etc. Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer which coincides with the time when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of goods.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties.

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Sale of power

Revenue from the sale of power is recognised when the Group sells the power to the customer. Revenue from sale of power is based on the price specified in the sales contracts.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit or loss.

Dividend income

Dividend income is accounted for when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

i) Foreign currency

Transactions in foreign currencies are translated to functional currencies of Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of profit and loss.

j) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit such as salaries, wages, bonus, special awards and medical benefits, etc. are recognized on an un-discounted basis and charged to the statement of profit and loss.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss during the period in which the employee renders the related service. The Group has no obligation, other than the contribution payable to these funds.

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Defined benefit plan

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The Company has an arrangement with Life Insurance Corporation of India (LIC) to administer its gratuity scheme.

The contribution paid/ payable is debited to the statement of profit and loss on accrual basis. Accrued liability towards gratuity is provided on the basis of actuarial valuation under the Projected Unit Credit (PUC) method and debited to the statement of profit and loss Statement and Actuarial gains or losses net of deferred taxes are accounted for in Other Comprehensive Income (OCI).

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the statement of profit and loss.

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k) Taxes on income:

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in the OCI.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI.

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

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Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

l) Inventories

Inventories which comprise of raw material, packing material, work-in-progress, finished goods and stores and spares are valued at lower of cost and net realizable value. Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. The inventories of raw materials, packing materials, work-in-progress, finished goods and stores are valued at moving weighted average cost of the respective batches.

Cost of work-in-progress and finished goods include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

m)Property, plant and equipment

Recognition and measurement

Property, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

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

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

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation/ Amortizations

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Asset category	Estimated useful life in years
Plant and machinery	8
Wind and Solar equipment	22
Crates, cans and milk-o-testers	4

Crates, Cans and milko testers on replacement are charged to revenue.

n) Intangible assets

Recognition and measurement

Intangible assets other than Goodwill are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit or loss. The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software : 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

o) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

q) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquired a business, it assessed the financials assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of entities comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

r) Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amounts of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the fair value less costs to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset (other than goodwill) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of goodwill, such reversal is not recognised.

s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes invalue,and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

u) Government grants

Government Grants are recognised where there is a reasonable assurance that the grant will be received and the attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

v) Leases

Finance leases

Assets taken on lease where the Group acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

w) Financial instruments

Recognition and initial measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument except for trade receivables which are initially recognized when they are originated. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

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Classification and subsequent measurement

Financial assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

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

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial instruments

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recgonsied on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this cases, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer the notes for details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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x) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

y) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

z) Provisions, Contingent liabilities, Contingent assets and Commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow or resources will be required to settle the obligation;
- a present obligation arising from past events, when reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow or resources is remote.

A contingent asset is not recognized but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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aa) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 1 April 2019:

Ind AS 116, *Leases*

The Group is required to adopt Ind AS 116, *Leases* from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of sales offices and chilling center premises (see Note 34). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous as described in Note 1(z). Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment.

ii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

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Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

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Note 2 Property, Plant and Equipment and Capital work-in-progress

Particulars	Free hold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans & Milk-o-Testers	Wind and Solar Equipment	Computers	Total of Property, Plant and Equipment	Capital work-in-progress
As at 31 March 2019:												
Gross Block												
As at 31March 2018	3,087.31	6,791.48	13,319.26	765.84	154.27	1,027.01	184.05	642.98	2,644.91	555.43	29,172.54	3,425.59
Additions	41.38	1,977.64	6,474.80	273.73	81.67	36.75	49.29	6.81	-	24.29	8,966.36	6,646.90
Disposals	(6.82)	(13.59)	(629.27)	(17.10)	(11.24)	(436.36)	(5.92)	(186.62)	-	(13.53)	(1,320.45)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(8,966.36)
As at 31 March 2019	**3,121.87**	**8,755.53**	**19,164.79**	**1,022.47**	**224.70**	**627.40**	**227.42**	**463.17**	**2,644.91**	**566.19**	**36,818.45**	**1,106.13**
Accumulated Depreciation												
As at 31 March 2018	-	1,236.71	7,251.87	383.37	106.44	328.69	125.54	563.79	755.41	301.52	11,053.34	-
For the period	-	223.52	1,342.33	67.51	17.66	99.77	18.59	22.36	108.89	66.46	1,967.09	-
Disposals	-	(6.69)	(601.14)	(15.96)	(10.68)	(109.86)	(5.59)	(183.32)	-	(12.50)	(945.74)	-
As at 31 March 2019	-	**1,453.54**	**7,993.06**	**434.92**	**113.42**	**318.60**	**138.54**	**402.83**	**864.30**	**355.48**	**12,074.69**	-
Net Block as at 31 March 2019	**3,121.87**	**7,301.99**	**11,171.73**	**587.55**	**111.28**	**308.80**	**88.88**	**60.34**	**1,780.61**	**210.71**	**24,743.76**	**1,106.13**
As at 31 March 2018												
Gross Block												
As at 1 April 2017	3,065.96	6,308.80	11,814.29	667.18	145.32	1,019.31	158.59	609.29	2,664.03	320.42	26,773.19	1,256.17
Additions	21.35	482.68	1,609.42	99.49	9.05	19.45	25.46	35.54	-	239.11	2,541.55	4,763.12
Adjustments	-		19.12	-	-	-	-	-	(19.12)	-	-	-
Disposals	-		(123.57)	(0.83)	(0.10)	(11.75)	-	(1.85)	-	(4.10)	(142.20)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(2,593.70)
As at 31 March 2018	**3,087.31**	**6,791.48**	**13,319.26**	**765.84**	**154.27**	**1,027.01**	**184.05**	**642.98**	**2,644.91**	**555.43**	**29,172.54**	**3,425.59**
Accumulated Depreciation												
As at 1 April 2017	-	1,038.28	6,241.92	327.86	92.77	218.82	112.80	527.96	649.91	246.07	9,456.39	-
For the period	-	198.43	1,119.83	56.21	13.76	116.72	12.74	37.58	105.50	59.35	1,720.12	-
Disposals	-	-	(109.88)	(0.70)	(0.09)	(6.85)	-	(1.75)	-	(3.90)	(123.17)	-
As at 31 March 2018	-	**1,236.71**	**7,251.87**	**383.37**	**106.44**	**328.69**	**125.54**	**563.79**	**755.41**	**301.52**	**11,053.34**	-
Net Block as at 31 March 2018	**3,087.31**	**5,554.77**	**6,067.39**	**382.47**	**47.83**	**698.32**	**58.51**	**79.19**	**1,889.50**	**253.91**	**18,119.20**	**3,425.59**

Notes:
(i) Refer to note 33(a)(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(ii) During the year, the Company has capitalised borrowing cost amounting to Rs. 114.56 lakhs (31 March 2018 Rs. 94.23 lakhs) on qualifying assets. The weighted average rate applicable to general borrowings is 6.92%.
(iii) Free hold land located at Uthangarai, Tamilnadu to the extent of Rs. 6.50 lakhs is in the process of being transferred in the name of the Company.

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Note 3 Intangible assets

Particulars	Computer Software	Goodwill	Total
As at 31 March 2019:			
Gross Block			
As at 31 March 2018	617.64	367.97	985.61
Additions	7.06	-	7.06
Disposals	(6.05)	-	(6.05)
As at 31 March 2019:	**618.65**	**367.97**	**986.62**
Accumulated amortisation			
As at 31 March 2018	341.29	-	341.29
For the year	92.54	-	92.54
Disposals	(5.72)	-	(5.72)
As at 31 March 2019:	**428.11**	**-**	**428.11**
Net Block as at 31 March 2019	**190.54**	**367.97**	**558.51**

Particulars	Computer Software	Goodwill	Total
As at 31 March 2018:			
Gross Block			
As at 1 April 2017	551.54	367.97	919.51
Additions	66.10	-	66.10
As at 31 March 2018	**617.64**	**367.97**	**985.61**
Accumulated amortisation			
As at 1 April 2017	243.23	-	243.23
For the year	98.06	-	98.06
As at 31 March 2018	**341.29**	**-**	**341.29**
Net Block as at 31 March 2018	**276.35**	**367.97**	**644.32**

Impairment tests for goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount of asset is determined based on higher of value in use and fair value less cost to sell.

The goodwill represents the excess of consideration paid to acquire the subsidiary company 'Nagavalli Milkline Private Limited' over the net assets acquired, which mainly consists of the free hold land having a carrying value of Rs. 194 lakhs. The recoverable value of the goodwill has been determined as fair value less costs of disposal of the aforesaid land. As the recoverable value is higher than the carrying value of goodwill, no impairment loss has arisen on goodwill.

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	As at 31 March 2019	As at 31 March 2018
Note 4		
Non-current investments		
Other investments at cost		
Unquoted (Government Securities at amortised cost)		
National Savings Certificate	-	0.17
	-	**0.17**
Aggregate value of unquoted investments	-	0.17

Note 5

Other non-current financial assets
(unsecured, considered good)

	As at 31 March 2019	As at 31 March 2018
Security deposits	295.29	269.27
Fixed deposits with maturity of more than 12 months *	1.68	1.68
	296.97	**270.95**

*Fixed deposits with scheduled banks held as margin money towards bank guarantees and sales tax registration.

Note 6
Other non-current assets
(unsecured, considered good)

	As at 31 March 2019	As at 31 March 2018
Capital advances	200.71	825.49
Prepaid expenses	106.22	44.64
Others	7.38	6.96
	314.31	**877.09**

Note 7
Inventories
(Valued at lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials*	3,699.82	3,998.05
Packing materials	682.92	473.04
Finished goods**	5,405.02	7,860.38
Work-in-progress	442.07	583.10
Stock-in-trade (Animal feed)	29.33	25.21
Consumables, stores and spares	430.75	430.50
	10,689.91	**13,370.28**

*Includes skim milk powder purchased and produced by the Company.
** Includes inventory of butter which are for sale and for the purpose of reconstitution into milk and milk products.

Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is Rs. 442.13 lakhs (31 March 2018 Rs. 1,177.66 lakhs).

Note 8
Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables, unsecured		
Considered good	986.09	965.07
Credit impaired	197.64	161.69
	1,183.73	**1,126.76**
Loss allowance	(280.77)	(251.00)
	902.96	**875.76**

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.

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Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Note 9		
Cash and cash equivalents		
Cash on hand	474.54	338.19
Cheques on hand	97.14	75.20
Balance with banks		
- In current accounts	483.72	1,379 76
- Unpaid dividend accounts	2.40	1.20
	1,057.80	1,794.35
Cash and cash equivalents as per the cash flow statement	**1,057.80**	**1,794.35**
Note 10		
Other current financial assets		
(unsecured, considered good)		
Security deposits	113.69	136.22
Advances to employees	11.28	10.58
Interest receivable	13.34	12.99
	138.31	**159.79**
Note 11		
Other current assets		
(Unsecured)		
Considered good:		
Advances to suppliers	19.32	144.94
Advances to milk suppliers	125.79	137.93
Prepaid expenses	250.73	164.17
GST receivables	107.30	490.89
Others	51.01	35.78
	554.15	**973.71**
Considered doubtful:		
Advances to suppliers	9.95	9.95
Advances to milk suppliers	34.92	34.92
Less: Allowance for doubtful advances	(44.87)	(44.87)
	-	-
	554.15	**973.71**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Note 12		
Share capital		
Authorised:		
15,000,000 (31 March 2018: 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed and Paid-up:		
11,324,700 (31 March 2018: 11,324,700) equity shares of Rs. 10/- each fully paid up	1,132.47	1,132.47
	1,132.47	**1,132.47**

Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares :				
Outstanding at the beginning of the year	1,13,24,700	1,132.47	1,13,24,700	1,132.47
Issued during the year	-	-	-	-
Balance as at the end of the year	**1,13,24,700**	**1,132.47**	**1,13,24,700**	**1,132.47**

Terms and rights attached to equity shares:
Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

Number of Shares held by holding company:

	As at 31 March 2019	As at 31 March 2018
Equity shares:		
Godrej Agrovet Limited	58,79,008	58,79,008
(The ultimate parent is Godrej Industries Limited)		

Shareholders holding more than 5% shares in the company is set out below:

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
Equity shares:				
Godrej Agrovet Limited	58,79,008	51.91%	58,79,008	51.91%
K.Bhasker Reddy	8,68,500	7.67%	8,68,500	7.67%
D.Chandra Shekhar Reddy	8,35,292	7.38%	8,35,292	7.38%
C.Balraj Goud	6,54,892	5.78%	6,54,892	5.78%
M.Gangadhar	5,68,508	5.02%	5,68,508	5.02%

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Note 13		
Other equity		
Retained earnings		
Opening balance	11,480.25	10,960.40
Add: Net profit for the year	1,297.95	928.75
	12,778.20	**11,889.15**
Appropriations:		
Dividend	(339.74)	(339.74)
Dividend distribution tax	(69.83)	(69.16)
Closing balance	**12,368.63**	**11,480.25**
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligation		
Opening balance	(186.67)	(93.88)
Remeasurement during the year	(59.63)	(141.90)
Tax impact	20.84	49.11
Closing balance	**(225.46)**	**(186.67)**
General reserve:		
Opening balance	1,443.72	1,443.72
Transferred from retained earnings during the year	-	-
Closing balance	**1,443.72**	**1,443.72**
Securities premium	5,720.20	5,720.20
Capital reserve	174.89	174.89
	19,481.98	**18,632.39**

General reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings
Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss less dividend distribution and transfers to general reserve.

Capital reserve
Capital reserve represents the excess of fair value of net assets acquired through business combinations over consideration paid.

Other comprehensive income
Remeasurement of the net defined benefit liability/(asset) comprising of actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Dividend
In respect of the year ended 31 March 2019, the directors have proposed a dividend of Rs. 3.00 per share to be paid on fully paid shares. This equity dividend is subject to approval at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Dividend would attract dividend distribution tax when declared or paid.

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	As at 31 March 2019	As at 31 March 2018

Note 14

Long-term borrowings

	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
From banks, unsecured				
Term loans				
Yes Bank	196.88	295.31	98.44	65.63
Kotak Mahindra Bank	-	297.78	-	148.89
Citi Bank	2,000.00	260.00	260.00	260.00
From banks, secured				
Vehicle loans	-	1.20	-	16.16
	2,196.88	**854.29**	**358.44**	**490.68**

Term loans are unsecured and other terms are given below:

Yes Bank:

The Loan is repayable in 16 structured quarterly instalments commencing from January 2018 and carries the interest at MCLR currently 8.80% p.a.

Kotak Mahindra Bank

The Loan was repayable in 18 structured quarterly instalments commencing from six months from the date of first disbursement i.e.30 March 2016 and carried interest at MCLR. The Company has repaid the loan amount during the year.

Citi Bank

a. **Term loan of Rs. 520 lakhs:** The Loan is repayable in two tranches. 50% of draw down amount is repayable in 18 months from the date of draw down and balance 50% at the end of 36 months from the date of draw down. Loan carries the interest at Treasury Bill Rate + 0.19 spread p.a. The first tranche of the term loan of Rs. 260 lakhs has been paid during the year.

b. **Term Loan of Rs. 2,000 lakhs:** The Loan is repayable in a single tranche in April 2020. The Term Loan carries interest at one month treasury bill rate + 21 bps spread p.a.

Vehicle loans:

Vehicle loans were secured by the hypothecation of the respective vehicles. All the vehicle loans were repayable in 36 equal monthly installments from the date of draw down. Interest rate applicable was in the range of 9.50% p.a. to 10.26% p.a. The company has repaid all the vehicle loans during the year.

Note 15

Non-current provisions

Provision for employee benefits:		
- Provision for compensated absences	116.89	134.11
- Provision for gratuity (refer note 36)	157.81	156.82
	274.70	**290.93**

Note 16

Deferred tax liabilities

Deferred tax liabilities (net) (refer note 39)	735.64	524.44
	735.64	**524.44**

Note 17

Deferred income

Non-current		
Deferred grant (Refer Note below)	171.09	180.43
	171.09	**180.43**

Note: Represents government grants towards cold storages under cold chain project scheme. These subsidies are received towards acquisition of depreciable assets and the amount in proportion to the depreciation is transferred to the statement of Profit and Loss. There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other forms of government assistance.

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	As at 31 March 2019	As at 31 March 2018

Note 18

Current borrowings

Unsecured		
Citi Bank- Short term loan	2,500.00	5,500.00
HDFC Bank- Working capital loan	312.35	-
Total	**2,812.35**	**5,500.00**

Terms of short term Loan/ Working capital loans:
All the above loans are unsecured and repayable within one year. Interest rate applicable is in the range of 6.10% p.a. to 6.70% p.a. for short tem loan Interest rate applicable for the working capital loan is in the range of 8.05% p.a. to 8.40% p.a.

Note 19

Trade payables

Trade Payables		
dues to micro and small enterprises (refer note 42)	394.30	242.48
dues to other than micro and small enterprises	4,146.35	4,562.02
Acceptances	4,972.01	5,119.82
	9,512.66	9,924.32

Trade payables includes payables to related parties Rs. 299.67 lakhs (31 March 2018 Rs. Rs. 464.69 lakhs). Refer note 40.

Note 20

Other financial liabilities - Current

Current maturities of long-term debt (refer note 14)	358.44	490.68
Security deposits	1,326.87	1,161.16
Capital creditors	880.12	730.01
Employee related payables	489.65	429.31
Interest accrued but not due on borrowings	20.31	5.29
Unclaimed dividend	2.40	1.20
Provision for expenses	370.79	237.35
	3,448.58	**3,055.00**

Note 21

Other current liabilities

Advances from customers	356.35	275.69
Statutory liabilities	209.69	195.11
	566.04	**470.80**

Note 22

Deferred income
Current

Deferred grant (refer note 17)	9.34	9.34
	9.34	**9.34**

Note 23

Provisions

Current		
Provision for employee benefits:		
- Provision for compensated absences	112.61	46.42
- Provision for gratuity (refer note 36)	100.00	68.95
	212.61	**115.37**

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(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 24		
Revenue from operations		
Sale of products	1,15,039.63	1,15,098.88
Other operating revenue:		
Sale of power	157.20	196.97
Processing charges	103.88	30.68
Scrap sales	96.36	79.62
Sale of animal feed	714.59	359.40
	1,16,111.66	**1,15,765.55**
Reconciliation of revenue recgonsied with the contracted price is as follows:		
Contract price	1,20,521.02	
Adjsutments for:		
Discounts and incentives	(4,409.36)	
	1,16,111.66	
Note 25		
Other income		
Interest income	28.22	35.69
Amortisation of government grants (refer note 17)	9.34	14.79
Net gain on sale of investments	19.20	17.96
Liabilities no longer required written back	73.81	21.43
Bad bebts recovered	0.80	15.95
Miscellaneous income	191.53	153.70
	322.90	**259.52**
Note 26		
Cost of materials consumed		
Raw materials:		
Material at the commencement of the year	3,998.05	3,392.56
Add : Purchases*	83,168.26	92,414.87
Less: Raw material at the end of the year	3,699.82	3,998.05
	83,466.49	**91,809.38**
Packing materials:		
Material at the Commencement of the year	473.04	503.70
Add : Purchases*	4,579.04	4,091.35
Less: Packing material at the end of the year	682.92	473.04
	4,369.16	**4,122.01**
	87,835.65	**95,931.39**

* Represents the balancing figure and includes certain production/ procurement overheads.

Note 27		
Changes in inventories		
At the commencement of the year		
Stock-in-trade	25.21	-
Work-in-progress	583.10	543.29
Finished goods	7,860.38	5,231.19
	8,468.69	**5,774.48**
At the end of the year		
Stock-in-trade	29.33	25.21
Work-in-progress	442.07	583.10
Finished goods	5,405.02	7,860.38
	5,876.42	**8,468.69**
	2,592.27	**(2,694.21)**

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	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 28		
Employee benefits expense		
Salaries, wages and bonus	5,665.77	5,186.28
Contribution to provident and other funds	349.63	327.62
Gratuity (refer note 36)	99.75	110.44
Compensated absences	104.65	42.89
Staff welfare expense	400.92	271.47
	6,620.72	**5,938.70**
Note 29		
Finance costs		
Interest expense on:		
Long-term loans	97.90	106.33
Short-term loans	97.44	167.30
Vehicle loans	0.83	4.08
Others	8.36	0.06
	204.53	**277.77**
Note 30		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,967.09	1,720.12
Amortization of intangible assets	92.54	98.06
	2,059.63	**1,818.18**
Note 31		
Other expenses		
Consumption of stores and spares	630.57	606.42
Power and fuel	2,333.20	2,244.11
Rent	192.94	212.79
Rates and taxes	156.28	203.80
Repairs and maintenance:		
- Machinery	463.96	415.14
- Buildings	21.53	30.91
- Other assets	317.56	268.77
Other manufacturing expenses	2,825.22	2,329.68
Travelling and conveyance	564.25	560.81
Professional and consultancy charges	462.52	723.68
Office maintenance	22.37	26.28
Auditor's remuneration (refer note below)	26.08	27.56
Bad debts written off	-	0.22
Allowances for doubtful debts and advances	139.32	133.71
Loss on sale/scrapping of property, plant and equipment, net	40.56	8.79
Selling, distribution and advertisement	5,248.99	4,310.52
Corporate social responsibility (refer note 41)	68.62	43.29
Miscellaneous expenses	930.29	797.94
	14,444.26	**12,944.42**
Note:		
Statutory audit fee*	18.24	18.24
Other services	7.50	7.50
Reimbursement of expenses	0.34	1.82
	26.08	**27.56**

* includes fees paid to auditors of the subsidiary company.

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Note 32: Earnings per share

Computation of earnings per share

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Calculation of weighted average number of equity shares:		
Basic and diluted:		
Number of equity shares outstanding at the beginning of the year	1,13,24,700	1,13,24,700
Number of shares issued during the year	-	-
Weighted average number of equity shares outstanding at the end of the year	**1,13,24,700**	**1,13,24,700**
Profit attributable to equity shareholders	1,297.95	928.75
Earnings per equity share (face value of share Rs.10 each):		
- Basic earnings per share	11.46	8.20
- Diluted earnings per share	11.46	8.20

Note 33: Contingent liabilities and commitments

Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,558.51	2,035.72
(ii) Export obligation under EPCG (refer note below)	127.29	463.86

The total customs duty saved against EPCG licenses was Rs. 46.53 lakhs. Out of this, since the Company was unable to fulfill the export obligations, the customs department has encashed Bank guarantees amounting to Rs. 33.73 lakhs.

b. Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)		
(i) Income tax*	72.67	38.21
(ii) Indirect tax cases*	29.94	29.94
(iii) Other matters	153.84	154.02

* Tax paid under protest as at 31 March 2019: Rs. 43.43 lakhs (31 March 2018 - Rs. 35.45 lakhs).

c.The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly has provided the liability for March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

Note 34: Leases

The Company has taken rental premises on cancellable operating leases. Lease rentals under such cancellable leases amounting to Rs. 192.94 lakhs (31 March 2018: Rs. 212.79 lakhs) has been charged to Statement of profit and loss. There are no non-cancellable leases.

Note 35: Segment reporting

The Group is in the business of processing and selling milk and milk products. The Management is of the view that the risks and returns for these products are not significantly different. The Group has a single reportable segment which is reviewed by the Chief Operating Decision Maker (CODM), who is the Chief Executive Officer the Company. Further, The Group operates within India and does not have operations in economic environments with different risk and returns. Hence, it is considered as operating in a single geographical segment. Revenue, results, assets and liabilities of power segment are not material (lower than 1% of total revenue) and hence is not a reportable segment.

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Note. 36 Assets and liabilities related to employee benefits

A) Defined Contribution Plans
The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the statement of profit and loss is Rs. 278.08 lakhs (31 March 2018: Rs. 258.69 lakhs).

B) Defined benefit plan
The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who have joined *w.e.f.* 1 November 2017 are eligible for gratuity after completion of continuous service for a period of 5 years. Employees who have joined prior to 1 Nov 2017 are eligible for gratuity from the date of joining as per their employment agreements. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity payable to employees beyond 5 years of employment is a funded plan and the Company makes contributions to LIC of India. For employees eligible for gratuity from 1 to 5 years, unfunded and payable directly by the Company. Liability with regard to this plan is determined based on actuarial valuation as at the end of the year and are charged to the statement of profit and loss.

Funding
The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Net defined benefit obligation as at balance sheet date:

	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	635.23	520.51
Fair value of plan assets	(377.42)	(294.74)
Net defined benefit (obligation)/assets	**257.81**	**225.77**

Movement in net defined benefit obligation and plan assets:

The following table shows a reconciliation from the opening balances to the closing balances:

	Defined benefit obligation		Fair value of plan assets	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Opening balance	**520.51**	**379.54**	**294.74**	**248.53**
Current service cost	82.83	65.27	-	-
Past service cost	-	34.70	-	-
Interest cost/ Interest income on plan assets	39.01	30.34	22.09	19.87
Benefits paid	(66.02)	(39.99)	(38.68)	(39.99)
Contributions paid by the employer	-	-	100.00	68.95
Actuarial loss (gain) arising from:				
Demographic assumptions	-	44.16	-	-
Financial assumptions	9.02	16.97	-	-
Experience adjustment	49.88	(10.48)	-	-
Return on plan assets excluding interest		-	(0.73)	(2.62)
Closing balance	**635.23**	**520.51**	**377.42**	**294.74**

Effect of any Amendments, Curtailments and Settlements:
During the year ended 31 March 2019, there has been no amendment to the benefit plan arrangement. However, for the year ended 31 March 2018, the past service cost of Rs. 34.70 lakhs had been recognised in the statement of profit and loss, due to change in gratuity ceiling limit from Rs. 10 lakhs to Rs. 20 lakhs as per the new legal requirement in the country.

Expense recognized in the Standalone statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	82.83	65.27
Past service cost	-	34.70
Net interest cost	16.92	10.47
	99.75	**110.44**

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Note. 36 Assets and liabilities related to employee benefits (continued)

Remeasurement recognised in other comprehensive income :

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial loss/(gain) arising from Defined Benefit Obligation	58.90	50.65
Return on plan assets excluding interest income	0.73	2.62
	59.63	**53.27**

Plan assets:

Plan assets comprise of the following:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Group Gratuity cum Life Assurance with LIC	377.42	294.74
Coverage of plan asset	100%	100%

Summary of actuarial assumptions:

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.15%	7.50%
Future salary growth	5.00%	5.00%
Rate of employee turnover	15.00%	15.00%
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2019		31 March 2018	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(25.08)	27.41	(21.12)	23.06
Future salary growth (1% movement)	27.02	(25.09)	22.47	(20.96)
Rate of employee turnover (50% of attrition rate)	13.16	(25.98)	15.58	(28.85)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs. 100 lakhs (31 March 2018: Rs. 68.95 lakhs).

Expected future cash flows:

The expected future cash flows in respect of gratuity as at Balance sheet dates were as follows (undiscounted):

Expected future benefit payments	As at 31 March 2019	As at 31 March 2018
March 31, 2020	211.25	141.42
March 31, 2021	93.22	99.39
March 31, 2022	81.48	74.00
March 31, 2023	65.27	62.69
Thereafter	449.84	384.29
	901.06	**761.79**

C) Other long-term employee benefits:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and the amount charged to the statement of profit and loss is Rs. 104.65 lakhs (31 March 2018 Rs. 42.89 lakhs)

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Note 37: Financial instruments – Fair values and risk management

Note 37.1: Accounting classification and fair values
Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2019:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Trade receivables	-	902.96	902.96	-	-	-	-
Cash and cash equivalents	-	1,057.80	1,057.80	-	-	-	-
Other financial assets	-	435.27	435.27	-	-	-	-
	-	**2,396.03**	**2,396.03**	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	5,009.23	5,009.23	-	-	-	-
Trade payables	-	9,512.66	9,512.66	-	-	-	-
Other financial liabilities	-	3,448.58	3,448.58	-	-	-	-
	-	**17,970.47**	**17,970.47**	-	-	-	-

As at 31 March 2018:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	0.17	0.17	-	-	-	-
Trade receivables	-	875.76	875.76	-	-	-	-
Cash and cash equivalents	-	1,794.35	1,794.35	-	-	-	-
Other financial assets	-	430.74	430.74	-	-	-	-
	-	**3,101.02**	**3,101.02**	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	6,354.29	6,354.29	-	-	-	-
Trade payables	-	9,924.32	9,924.32	-	-	-	-
Other financial liabilities	-	3,055.00	3,055.00	-	-	-	-
	-	**19,333.61**	**19,333.61**	-	-	-	-

Note 37.2: Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments:
A) Credit risk
B) Liquidity risk
C) Market risk
(i) Currency risk
(ii) Interest rate risks

Risk management framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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Note 37: Financial instruments – Fair values and risk management (continued)

Note 37.2: Financial risk management objectives and policies (continued)

A) Credit risk

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

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company operates only in one geographical location i.e in India.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further the company segments the customers into Distributors, Agents, Modern trade parties and others for credit monitoring.

The Company maintains security deposits for sales made to its customers. The Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.
The carrying amounts of trade receivables as disclosed in note no 8 represent the maximum credit risk exposure.

Impairment
Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables other than from government bodies and Modern trade parties are in default, if the payments are due more than 180 days past due.

The ageing of trade receivables that are past due and expected credit loss are given below:

Year	1 to 30 days	31 to 90 days	91 to 180 days	Above 180 days	Gross receivables	ECL/ Impairment	Net trade receivables
As at 31 March 2019	551.66	201.01	84.65	346.42	**1,183.73**	280.77	**902.96**
As at 31 March 2018	607.50	225.73	98.73	194.80	**1,126.76**	251.00	**875.76**

The movement in loss allowance in respect of trade receivables is as follows:

	As at 31 March 2019	As at 31 March 2018
Opening	251.00	125.46
Loss allowance recognised	139.32	125.54
Amounts written off	(109.55)	-
Closing	**280.77**	**251.00**

Other financial assets
This comprises mainly of balances with banks, deposits with Government authorities and other receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are banks and government organizations. The Company considers that its balances with banks have low credit risk based on the external credit ratings of the counterparties. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of other financial assets.

The movement in loss allowance in respect of other financial assets is as follows:

	As at 31 March 2019	As at 31 March 2018
Opening	44.87	36.70
Loss allowance recognised	-	8.17
Closing	**44.87**	**44.87**

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Note 37: Financial instruments – Fair values and risk management (continued)

Note 37.2: Financial risk management objectives and policies (continued)

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

As at 31 March 2019	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Term loans (including current maturities)	2,555.32	46.88	311.56	2,112.50	84.38	-
Current borrowings	2,812.35	2,812.35	-	-	-	-
Trade payables	9,512.66	9,512.66	-	-	-	-
Other financial liabilities (excluding current maturities)	3,090.14	3,090.14	-	-	-	-
	17,970.47	**15,462.03**	**311.56**	**2,112.50**	**84.38**	-

As at 31 March 2018	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Term loans (including current maturities)	1,327.61	362.57	111.94	507.33	345.77	-
Vehicle loans	17.36	12.13	4.03	1.20	-	-
Current borrowings	5,500.00	5,500.00	-	-	-	-
Trade payables	9,924.32	9,924.32	-	-	-	-
Other financial liabilities (excluding current maturities)	2,564.32	2,564.32	-	-	-	-
Total	**19,333.61**	**18,363.34**	**115.97**	**508.53**	**345.77**	-

C) Market risk

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

Our Board of Directors and Audit Committee are responsible for overseeing our risk assessment and management policies. Our major market risks of foreign exchange and interest rate risk are managed by our treasury department, which evaluates and exercises independent control over the entire process of market risk management.

Currency risk:
The functional currency of group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of machineries and spares. There are no foreign currency revenue. There are no foreign currency receivables or payables as at 31 March 2019 and 31 March 2018.

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Note 37: Financial instruments – Fair values and risk management (continued)

Note 37.2: Financial risk management objectives and policies (continued)

C) Market risk (continued)

Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

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

	As at 31 March 2019	As at 31 March 2018
Fixed-rate instruments		
Vehicle loans	-	17.36
Variable -rate instruments		
Long-term and short-term borrowings	5,367.67	6,827.61
	5,367.67	**6,844.97**

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	31 March 2019 Profit/ (loss)		31 March 2018 Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
Variable-rate instruments (Movements - 100 basis points)	(53.68)	53.68	(68.28)	68.28
Cash flow sensitivity (net)	**(53.68)**	**53.68**	**(68.28)**	**68.28**

Fair value sensitivity analysis for fixed-rate instruments:

The Group does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Note 38 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt as defined as interest-bearing loans and borrowings less cash and cash equivalents. Adjusted Equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at balance sheet dates are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Interest bearing loans and borrowings	5,367.67	6,844.97
Less: cash and cash equivalents	(1,057.80)	(1,794.35)
Adjusted net debt	**4,309.87**	**5,050.62**
Total equity	20,614.45	19,764.86
Adjusted net debt to total equity ratio	**0.21**	**0.26**

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Note 39. Tax expense

The major component of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(a) Amounts recognised in the statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Tax expense		
Current tax:		
- Normal tax	-	491.87
- MAT for the year	421.62	-
Deferred tax (including MAT credit entitlement)	232.04	70.23
Deferred tax asset on net remeasurements of post employment obligations	(20.84)	(49.11)
	632.82	**512.99**
Earlier year tax	52.15	(74.20)
	684.97	**438.79**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate are as follows:

A) Current tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax including OCI	1,944.13	1,274.74
Income tax rate of Company's domestic tax rate	34.944%	34.608%
Tax using Company's domestic tax rate	679.36	441.16
Tax effects of :		
Non-deductible expenses (net)	52.21	39.64
Indexation benefit on freehold land	(30.33)	(21.52)
Special tax deductions	(14.65)	(13.18)
Adjustment of tax expense relating to earlier periods	(1.62)	(7.31)
	684.97	**438.79**

B) Deferred tax

Particulars	Balance as at 1 April 2017	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2018	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2019
Deferred tax liabilities:					
Accelerated depreciation for tax purposes	936.43	95.56	1,031.99	370.36	1,402.35
Deferred tax assets:					
Indexation benefit on freehold land	(253.96)	(21.52)	(275.48)	(30.33)	(305.81)
MAT credit entitlement	-	-	-	(69.47)	(69.47)
Provision for employee benefits	(111.31)	(18.36)	(129.67)	(29.62)	(159.29)
Expenditure allowable on payment basis	(11.72)	11.72	-	(18.34)	(18.34)
Loss allowance for trade receivables and advances	(56.12)	(46.28)	(102.40)	(11.40)	(113.80)
Deferred tax liabilities, net	**503.32**	**21.12**	**524.44**	**211.20**	**735.64**

Notes:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

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Note 40: Related party disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows:

I. Name of related parties and nature of relationships:

(i) Ultimate Holding Company:
Godrej Industries Limited

(ii) Holding Company:
Godrej Agrovet Limited (GAVL)

(iii) Subsidiary Companies:
Nagavalli Milkline Private Limited (wholly owned subsidiary of Creamline Dairy Products Limited)

(iv) Key Management Personnel and relatives of such Personnel

1	K. Bhasker Reddy	(Managing Director – Managerial Services)
2	M. Gangadhar	(Executive Director – Managerial Services)
3	D. Chandra Shekher Reddy	(Executive Director – Managerial Services)
4	C. Balraj Goud	(Executive Director – Managerial Services)
5	Raj Kanwar Singh	(Chief Executive Officer & Whole Time Director effective from January 29, 2018)
6	Govind Panduranga Shelar	(Chief Financial Officer - Till 31 January 2019)
7	K.V. Ramachandra Rao	(Chief Financial Officer - Effective from 3 January 2019)
8	S.Raghava Reddy	(Company Secretary)
9	Sandhya Kondapalli	(Wife of K.Bhasker Reddy)
10	Rama Kumari Mandava	(Wife of M.Gangadhar)
11	Deepika Devireddy	(Wife of D. Chandra Shekher Reddy)
12	Mangaraj Chinthala	(Wife of C.Balraj Goud)

(v) Other entities controlled by Key management personnel and their relatives

1 Khammam Milkline Private Limited
2 Dhulipalla Milkline Private Limited
3 Mohan Milkline Private Limited
4 Vidya Milkline Private Limited
5 Ongole Milkline Private Limited
6 Pamuru Milkline Private Limited
7 Kavali Milkline Private Limited
8 Pragathi Milkline Private Limited
9 Orga Farms Private Limited
10 My Village Model Village Foundation
11 Prima Food tech Private Limited

(vi) Other group entities

1 Godrej & Boyce Manufacturing Company Limited
2 Godrej Consumer Products Limited
3 Godrej Tyson Foods Limited

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Note 40: Related party disclosures (continued)

II. Related party transactions during the year:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A Ultimate Holding Company:		
Godrej Industries Limited		
Sale of products	117.33	-
B Holding Company - Godrej Agrovet Limited		
Reimbursement of expenses	180.35	21.83
Sale of products	6.65	-
Purchase of traded goods and others	727.79	513.44
Inter corporate deposit received and repaid	2,000.00	-
Interest on inter corporate deposit	7.24	-
Dividend paid	176.37	176.37
C Fellow subsidiaries		
Godrej & Boyce Manufacturing Company Limited		
Purchases of materials	13.10	39.28
Godrej Consumer Products Limited		
Purchase of property, plant and equipment	207.29	6.74
Sale of products	4.30	-
Godrej Tyson Foods Limited		
Sale of power	18.15	-
Sale of products	0.77	
D Key Management Personnel ('KMP') and relatives		
Short Term Employee Benefit:		
K. Bhasker Reddy	92.93	92.93
M. Gangadhar	74.80	74.80
D. Chandra Shekher Reddy	92.84	92.84
C. BalrajGoud	92.80	74.80
Raj Kanwar Singh	173.00	162.28
K V Ram Chandra Rao	12.87	-
Govind Panduranga Shelar	36.88	13.79
S Raghava Reddy	15.45	12.31
Sandhya Kondapalli	29.02	29.02
Deepika Devireddy	29.02	29.02
Mangaraj Chinthala	29.02	29.02
Rama Kumari Mandava	29.02	29.02

Note: Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Dividend paid		
K. Bhasker Reddy	26.06	26.06
M. Gangadhar	17.06	17.06
D. Chandra Shekher Reddy	25.06	25.06
C. BalrajGoud	19.65	19.65
Sandhya Kondapalli	8.70	8.70
Deepika Devireddy	6.15	6.15
Mangaraj Chinthala	13.03	13.03
Rama Kumari Mandava	7.54	7.54

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Note 40: Related party disclosures (continued)

II. Related party transactions during the year: (continued)

Particulars	31 March 2019	31 March 2018
F Enterprise over which KMP exercise significant influence with relatives		
Purchases of milk		
Ongole Milkline Private Limited	2,999.26	3,371.27
Mohan Milkline Private Limited	3,560.73	3,916.71
Vidya Milkline Private Limited	886.41	1,063.40
Khammam Milkline Private Limited	1,575.92	1,763.91
Pamuru Milkline Private Limited	1,180.24	1,300.45
Kavali Milkline Private Limited	2,783.94	3,011.86
Pragathi Milkline Private Limited	558.26	648.82
Dhulipalla Milkline Private Limited	9.25	171.88
Orga Farms Private Limited	31.65	188.78
Prima FoodTech Private Limited	43.69	25.99
Sale of products		
Khammam Milkline Private Limited	19.30	19.37
My Village Model Village Foundation		
Corporate Social Responsibility	5.00	5.00
G Director Sitting Fees	7.40	2.70
H Rent paid to relaties of Key Management Personnel		
Sandhya Kondapalli	16.54	16.54
Rama Kumari Mandava	16.47	16.47
Deepika Devireddy	16.47	16.47
Mangaraj Chinthala	16.47	16.47

III. Related party balances at the end of the year:

Particulars	31 March 2019	31 March 2018
A Ultimate Holding Company:		
Godrej Industries Limited		
Trade receivable	6.00	-
B Holding Company - Godrej Agrovet Limited		
Trade payables, net	133.69	67.97
C Fellow subsidiaries		
Godrej Tyson Foods Limited		
Trade receivable	18.15	-
D Enterprise over which KMP exercise significant influence with relatives:		
Trade payables:		
Kavali Milkline Private Limited	30.45	56.03
Khammam Milkline Private Limited	54.96	65.32
Mohan Milkline Private Limited	22.72	98.95
Orgaa Farms Private Limited	-	6.56
Pamuru Milk Line Private Limited	14.06	12.70
Pragathi Milkline	5.95	12.34
Vidya MilkLine Private Limited	11.16	26.24
Ongole MilkLine Private Limited	22.20	74.04
Dhulipalla MilkLine Private Limited	-	5.65
Prima FoodTech Private Limited	4.48	8.49
Payable to key management personnel		
K V Ramchandra Rao	1.43	-
Raj Kanwar Singh	40.80	-
S Raghava Reddy	1.85	-

B S R & Co. LLP
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Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg,
Mahalaxmi,
Mumbai-400011
India
Chartered Accountants

Creamline Dairy Products Limited
6-3-1238/B/21,
Asif Avenue,
Somajiguda,
Hyd-82.

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 41 : Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount required to be spend by the Company	68.88	66.40
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Contribution to NGOs	5.00	5.00
Amount spent by the Company on various welfare activities	63.62	38.29
Total amount spent	**68.62**	**43.29**

Note 42 : Dues to micro and small enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	394.30	242.48
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
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 under MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Note 43 : Borrowings movement

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities for movement in the statement of cash flow are given below:

Particulars	As at 1 April 2017	Cash flow	As at 31 March 2018	Cash flow	As at 31 March 2019
Long-term borrowings*	1,554.74	(209.77)	1,344.97	1,210.35	2,555.32
Short-term borrowings*	3,827.90	1,672.10	5,500.00	(2,687.65)	2,812.35
	5,382.64	**1,462.33**	**6,844.97**	**(1,477.30)**	**5,367.67**

Movement for the year ended 31 March 2019 includes conversion of short-term loan of Rs. 2,000 lakhs which converted into long term loan.

Note 44 : Additional information, as required under Schedule III to the Companies Act, 2013

Name of the entity	Net Assets - total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income (OCI)		Share of total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Creamline Dairy Products Limited	99.07%	20,423.20	100.02%	1,298.22	100.00%	(38.79)	100.02%	1,259.43
Subsidiaries								
Indian								
Nagavalli Milkline Private Limited	0.93%	191.25	-0.02%	(0.27)	-	-	-0.02%	(0.27)
	100.00%	**20,614.45**	**100.00%**	**1,297.95**	**100.00%**	**(38.79)**	**100.00%**	**1,259.16**

Note 45 : Merger of Nagavalli Milkline Private Limited

As a part of a reorganization plan, Board of Directors of the Company and its wholly owned subsidiary, Nagavalli Milkline Private Limited ('Nagavalli') have in their respective board meetings held on 2 May 2018 unanimously approved the proposal for the amalgamation of Nagavalli with CDPL, subject to the necessary statutory / regulatory approvals. Accordingly, a scheme of amalgamation has been filed with the National Company Law Tribunal ('NCLT') under Sections 230 to 232 of the Companies Act, 2013 and under applicable rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with an appointed date of 1 April 2018. Pending approval of NCLT, no effect of the scheme has been given in the financial statements.

As per the scheme filed with the NCLT, the amalgamation will be accounted for in accordance with 'pooling of interest' method, prescribed under Appendix C to Ind AS 103 "Business Combinations" and/or such other Ind AS, as may be applicable, as amended from time to time.

Note 46: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

K Bhasker Reddy
Managing Director
DIN: 00014291

M Gangadhar
Executive Director
DIN:00014325

D.Chandra Shekher Reddy
Executive Director
DIN: 00063691

C.Balraj Goud
Executive Director
DIN: 00063719

Place: Mumbai
Date: 29 April 2019

Raj Kanwar Singh
Chief Executive Officer

K V Ramchandra Rao
Chief Financial Officer

S Raghava Reddy
Company Secretary