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 30th Board's Report of the Company along with Audited Financial Statements for the Financial Year ended March 31st, 2017.

FINANCIAL SUMMARY / HIGHLIGHTS OF THE COMPANY

The Audited Balance Sheet of your Company as at March 31st, 2017, 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	2016-17	2015-16
Sales and Other Income	101,852	93,135
Earnings before Interest, Depreciation and Tax (EBITDA)	6,184	6,015
Interest and Finance Charges	493	431
Depreciation	1,429	1,196
Profit Before Tax / Extraordinary Item(s)	4,262	4,388
Profit After Tax	2,604	2,909
Other Comprehensive Income	(69)	(25)
APPROPRIATIONS		
Surplus Brought forward	8,455	6,314
Amount transferred to General Reserve	125	125
Dividend	-	514
Taxes on dividend	-	104
Surplus Carried to Balance Sheet	10,865	8,455

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 2016-17 under review, your Company has achieved a Revenue of Rs. 101852.00 lakhs as against Rs. 93135.55 lakhs for the year 2015-16, thereby registering an annualized growth of around 9% over the previous year. Your Company has achieved Profit before Tax (PBT) of Rs. 4262.00 lakhs for the Financial Year 2016-17 as against the PBT of Rs. 4388.00 lakhs.

CURRENT OPERATIONS

During the financial Year 2016-17, the milk procurement increased by around 8% as compared to 2015-16.

In Procurement level, the Company resorted to vertical growth and consolidation of the existing procurement network. No new chilling centers were set-up during the year. Three milk chilling centers were closed down during the year. However the emphasis was on improving the raw milk quality and the capacity utilization at the chilling units.

There was a substantial improvement in the raw milk quality with the Methylene Blue Reduction Test (MBRT) time of raw chilling milk increased from 86 Minutes to 97 Minutes, which is an increase of 12.80 %.

In the marketing front, there was an increase in Sales of both Milk as well as Value added Milk products. The Liquid Milk sales increased by 9.7% and the value added products consisting of Curd, Milk Beverages grew by 23.7%, and in value terms the Curd segment grew by 26.4% and Flavored milk sales by 27.6%.

The Value added products constituted 20.94% in the total turnover of the Company increased by 2.51% as compared to 2015-16. The Company undertook several measures in maximizing the Brand Image through several ATL & BTL advertisement campaigns to obtain premium positioning.

The integrated accounting and online capture of transactions through SAP was stabilized and now several managerial reports are available on real time basis, facilitating quick decision making.

Compliance management continues to be an important focus area of your company. The Company during the year under review have further strengthened the review process of the applicable statutory compliances and made efforts to improve the Compliance Management System by establishment of IT Enabled Legal compliance mechanism viz. LEGATRIX. The Legatrix System has gone live w.e.f. 01-01-2017 and started tracking the compliance status.

FUTURE PROJECTIONS

The company has drawn ambitious expansion plans, both organic and inorganic during the ensuing financial year. A milk processing plant each at Vizag, and UHT Plant at Karimnagar are planned to go for commercial production during the current Financial year.

Three (3) Chilling Centers/ BMCU / IBT have been planned in an effort to stepping up of procurement during the year current Financial year. The growth is expected to come through further penetration of the existing markets and by expanding the geographical reach. The existing infrastructure at different processing units would be strengthened to meet the growing demand for the company's products.

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 has recently launched **"JERSEY"** Curd campaign on the promise of taste and health. The communication has been supported with a 360 degree media including first ever TV advertisement. Going forward, the Company will be launching UHT range of products as well as re-launching Flavoured Milk and to enter new markets in coastal AP and South Tamil Nadu besides consolidating our share in existing markets.

The company regards its Human Resources as its most important asset and accords high priority for hiring and retaining the best talent. Focus was also given to strengthen the skills of our human resources through appropriate training programs.

BUSINESS ACQUISITIONS DURING THE YEAR :

During the year under review, your company has acquired business operations of the below mentioned entities on slump sale basis:

(i). Nutraamax Food Specialities Private Limited (NFSL): NFSL has been into milk procurement processing and selling of Milk, with its business operations located at Keshavaram Village, Shameerpet Mandal, Rangareddy District, Telangana at a cost of Rs. 32.00 Crore (Rupees Thirty Two Crore). NFSL is having modern equipment with processing capacity of 50,000 liters per day.

(i). RBS Dairy Farm: RBS Dairy has been into milk procurement processing and selling of Milk, with its business operations located at Tirunelveli District District, Tamilnadu at a cost of Rs. 32.50 Crore (Rupees Thirty Two Crore Fifty Lakh). RBS Dairy Farm is having milk processing capacity of 75,000 liters per day. RBS Dairy Farm is having positive cash flows.

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

During the year under review the Subsidiary Company Nagavalli Milkline Private Ltd., is not having any operations.

DIVIDEND

Your Directors have recommended a Final Dividend for the Financial Year 2016-17 at the rate of 30%, (thirty per cent) i.e. Rs.3.00/- (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 27TH July, 2017; in respect of shares held in dematerialised 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. 125.00 lacs, 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.

GODREJ AGROVET LIMITED (HOLDING COMPANY)

Godrej Agrovet Limited 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 as on 31st March, 2017 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, 2017, 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. B. S. Yadav	Director
Mr. S. Varadaraj	Director
Mr. Jude Julius John Fernandes	Independent Director
Mrs. Surekha Revalli	Independent Woman Director

Mr. Mangesh Wange has resigned from the Board on 12th May, 2016.

During the year under review, the Board of Directors met 5 (Five) times, on 11th April 2016, 12th May 2016, 21st July 2016, 28th October 2016, 31st January 2017. The attendance details of Directors are mentioned below.

Sl No	Name of the Director	No of Meetings conducted during the Financial Year 2015-16	No of Meetings attended during the Financial Year 2015-16
1	Mr. Nadir B. Godrej	5	1
2	Mr. K Bhasker Reddy	5	5
3	Mr. M Gangadhar	5	4
4	Mr. D Chandra Shekher Reddy	5	5
5	Mr. C Balraj Goud	5	4
6	Mr. Balram Singh Yadav	5	3
7	Mr. S Varadaraj	5	4
8	Mr. Jude Juliusjohn Fernandes *	5	3
9	Mrs. Surekha Revalli	5	5
10	Mr. Mangesh Wange **	5	0

* Appointed as Director on 11th April, 2016.
** Resigned as Director on 12th May, 2016.

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. C. Balraj Goud [DIN: 00063719] and Mr. Balram Singh

Yadav [DIN: 00294803], 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 Mrs. Surekha Revalli and Mr. Jude Julius John Fernandes, Independent Directors of the Company.

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, 2017) and of the profit of the Company for that period (i.e., Financial Year 2016-17);
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.

CSR COMMITTEE

The Corporate Social Responsibility Committee comprises of:

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

The Committee has met 3 (Three) times during the Financial Year 2016-17 on 12th May 2016, 21st July 2016 and 31st January 2017 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 2016-17	No of Meetings attended during the Financial Year 2016-17
1	Mr. C. Balraj Goud	3	2
2	Mr. M. Gangadhar	3	2
3	Mr. Jude Julius John Fernandes	3	3
4	Mr. Varadaraj Subramanian	3	2

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 12th May 2016, 21st July 2016, 28th October 2016, 31st January 2017. The attendance details of Committee Members are mentioned below.

Sl No	Name of the Director	No of Meetings conducted during the Financial Year 2016-17	No of Meetings attended during the Financial Year 2016-17
1	Mr. Jude Julius John Fernandes	4	3
2	Mrs. Surekha Revalli	4	4
3	Mr. S. Varadaraj	4	3

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. Mr. Varadaraj Subramanian, Non-Executive Director
4. Mrs. Surekha Revalli - Member, Independent Woman Director

The Committee has met 3 (three) times during the Financial Year 2016-17, on 11th April 2016, 12th May 2016, 31st January 2017. The attendance details of Committee Members are mentioned below.

Sl No	Name of the Director	No of Meetings conducted during the Financial Year 2016-17	No of Meetings attended during the Financial Year 2016-17
1	Mr. Jude Julius John Fernandes	3	2
2	Mr. Balram Singh Yadav	3	2
3	Mrs. Surekha Revalli	3	3
4	Mr. S. Varadaraj *	3	1

* The NR Committee has been reconstituted on 11th April, 2016 and Mr. S. Varadaraj has ceased to be a Member of the Committee with effect from 12th April, 2016.

MANAGEMENT COMMITTEE:

Your Company has constituted the Management Committee of the Board of Directors consisting of the following Directors, pursuant to Article 116 of the Articles of Association of the Company:-

1. Mr. K. Bhasker Reddy (Chairman)
2. Mr. D. Chandra Shekher Reddy (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 customise 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. During the year under review, the Company has revised the CSR Policy to align the same with the Godrej Good and Green policy of Godrej Agrovet Limited (GAVL), the Holding Company of the Company. The CSR Committee has approved and recommended the revised the CSR Policy to the Board at its Meeting held on 31st Janaury, 2017. The Board has also approved the same at its Meeting held on 31st January, 2017.

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

Research & technology: Support to research institutions and technology incubators in Central Government approved academic and research institutions

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

National heritage: Protection of national heritage, art and culture

Sports: Promote sports in all forms, geographies and for all groups including (but not limited to) sports for persons with disabilities

Armed forces welfare: support armed forces veterans, war widows and their dependents.

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

During the year, the Company has allocated Rs.55.54 Lakh (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.60.54** Lakh on CSR activities.

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 endeavours 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 the country 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, 2017 are as follows:-

1. Mr. S. Natarajan – Manager, Corporate Audit and Assurance Department.
2. Mrs. Bindu Madhavi – Manager, Accounts
3. Mrs. Swapna – Assistant Manager, Human Resource.

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2016-17.

No of complaints received: Nil
No of complaints disposed off: Nil

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

The provisions of Section 139(2) of the Companies Act, 2013 pertaining to mandatory rotation of Statutory Auditors are applicable to the Company and the Company is required to appoint new Statutory Auditors in place of M/s. SBS Manian & Co. (the existing Statutory Auditors), at the ensuing 30th Annual General Meeting ("AGM") of the Company. The new Statutory Auditors are required to be appointed for a term of 5 (five) years, to hold office from the conclusion of the 30th AGM, till the conclusion of the 35th AGM.

The Company intends to appoint M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) as the new Statutory Auditors.

The Audit Committee and the Board of Directors recommend the appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of your Company at the ensuing 30th Annual General Meeting for a term of 5 (five) consecutive years, pursuant to the provisions of Section 139 of the Companies Act, 2013.

M/s. B S R & Co. LLP, has confirmed its eligibility to act as the Statutory Auditors of the Company for the Financial Year 2017-18 pursuant to Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Report given by the M/s. SBS Manian & Co., the Statutory Auditors on the Financial Statements of the Company for the Financial Year 2016-17 is a 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 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed herewith marked as **Annexure IV** to this Report. The Secretarial Audit Report contains certain qualifications which are reproduced below with adequate replies from the Director's for the said qualifications.

Secretarial Auditor Observation	Management reply
Delay in compliance of Section 149 of the Companies Act, 2013, as regards appointment of an Independent Director, Mr. Jude Julius Fernandes on the Board of the Company, which led to consequential delay in constitution of Audit Committee and Nomination & Remuneration Committee as required under Section 177 & 178 of the said Act	The Company has subsequently complied with said provision by appointing Mr. Jude Julius John Fernandes as independent director with effect from April 11, 2016. With the subsequent appointment of Mr. Jude Julius John Fernandes, as independent director w.e.f April 11, 2016, the Board has reconstituted the Audit Committee AND Nomination Remuneration Committee to comply with the provisions of section 177 & 178 of the Act.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

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 made an Inter - Corporate Deposit of Rs.50.00 Crore (Rupees Fifty Crore Only) to Natures Basket Limited (NBL) and as on March 31st, 2017, there was no outstanding Inter - Corporate Deposit with NBL.

The details of the investments made by the Company covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in Annual Report.

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 13 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 2016-17, 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.

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.

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.

PARTICULARS OF EMPLOYEES:

The details of the employees covered under the provisions of Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. **NOT APPLICABLE.**

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 **Managing Director** **DIN :00014291**	**M Gangadhar** **Executive Director** **DIN :00014325**

Date : 08-05-2017
Place : Hyderabad

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 2016-17 ended 31.03.2017
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	(9,11,065)
6	Total Assets	1,95,33,994
7	Total Liabilities	1,95,33,994
8	Investments	Nil
9	Turnover (Non- Operating Income)	-
10	Profit before Taxation	(1,37,005)
11	Provision for Taxation	-
12	Profit after Taxation	(1,37,005)
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/-	**Sd/-**
K Bhasker Reddy	**M Gangadhar**
Managing Director	**Executive Director**

Date : 08-05-2017
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/-	**Sd/-**
K Bhasker Reddy	**M Gangadhar**
Managing Director	**Executive Director**

Date : 08-05-2017
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.

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.

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 three areas of focus:

- Cattle health: Conducting skill development programme for farmers on cattle health and conducting veterinary camps.
- Health: Conducting awareness and health camps for farmers.
- 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 277,475,075.67/-
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**
   The prescribed CSR Expenditure for the company is INR 5,549,502.00/-
5. **Details of CSR spent during the financial year.**
   - **(a) Total amount to be spent for the financial year;**
     INR 6,061,061/-
   - **(b) Amount unspent, if any;**
     Nil
   - **(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 wholesome improvement of flora and fauna, to bring the ecological balance and environmental sustainability in respect of animal welfare, conservation of natural resources and ago forestry while maintaining the quality of air, water and soil.	**Schedule (VII)** (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	1. Local Area/Other 2. Medak, Warangal, Jangoan, Nalgonda, Siddipet, Karimnagar & Nizamabad (Telangana) Visakhapatnam, W.Godavari, Srikakulam, Krishna, Guntur, Prakasham, Kadapa, Nellore & Chittoor (Andhra Pradesh) Tiruvannamalai, Vellur, Viluppuram, Kanchipuram, Nagapattinam & Krishnagiri (Tamil Nadu) Bhandara, Lathur, Raigarh, Chandrapur, Gondiya, Satara & Washim (Maharastra)	18 L	1. Direct Expenditure: 17.59 2. Overheads – NIL	17.59 L	Direct
2	Medical Health camp: To efface the problems connected to daily life including poverty, malnutrition and hunger while enhancing the standard of living and promoting the facets of better health care and sanitation.	**Schedule (VII)** (i) Eradicating hunger, poverty and malnutrition, promoting healthcare preventive health care and sanitation and making available safe drinking water	1. Local Area/Other 2. Nirmal, Siddipet & Nizamabad (Telangana)	2 L	1. Direct Expenditure: 0.69L 2. Overheads – NIL	0.69 L	Direct

3	Animal Husbandry training for landless, small & marginal farmers for establishing forward & backward linkages & enable micro enterprise building	**Schedule (VII)** (x) Rural development (ii) Livelihoods enhancement	1. Local 2. Bhohangir, Telangana	30 L	1. Direct expenditure – **36 L** 2. Overheads - **NIL**	36 L	**Implementing Agency:** Vrutti Livelihoods Resource Center, Bangalore; Registered Society, 1960
4	Community development: To introduce varied projects for Rural Development and promote	**Schedule (VII)** (x) Rural Development Projects (ii) Promoting Education (i) Sanitation, health and hygiene (vii) Promotion of sports and games	1. Local Area/Other 2. .Janagoan, Medak, Shamirpet, Siddipet, Nalgonda, Karimnagar, Hyderabad, Shamirpet (Telangana) Nagpur (Maharashtra) Mandya (Karnataka) Prakasham, West Godavari, Nellore, Chittoor (Andhra Pradesh)	5 L	1. Direct Expenditure: 37,000 2. Overheads – NIL	1.32 L	Direct
5	My Village – Model Village	**Schedule (VII)** (ii) Promoting Education (x) Rural development	1. Other 2. Telangana	1 L	1. Direct expenditure – **5 L** 2. Overheads - **NIL**	5 L	**Implementing Agency** Vande Mataram, Registered Trust, 2005
	TOTAL					60.6 L	

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.**
   Not Applicable. The company has spent more than the prescribed amount as a part of CSR expenditure during the Financial Year 2016-17

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**
Executive Director	**Executive Director**

Date : 08-05-2017
Place : Hyderabad

P.S. Rao & Associates
Company Secretaries

✆ : 040 - 23352186
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, 2017

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, 2017 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, 2017, 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)**

Contd...2

P.S. RAO & ASSOCIATES Hyderabad Company Secretary

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;
- **(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) and General Meetings (SS-2) 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 observation:

- Appointment of an Independent Director, Mr. Jude Julius John Fernandes, as required under Section 149 of the Companies Act, 2013 was delayed and took place on 11.04.2016, as a result of which consequential constitution of the Audit

Committee and the Nomination & Remuneration Committee as required under Section 177 & 178 of the said Act was also delayed and complied on 08.05.2016

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 an 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, duly taken on record by the Board of Directors of the Company, 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.

For P S Rao& Associates
Company Secretaries

Vikas Sirohiya
M. No.15116
CP No.5246

Place: Hyderabad
Date: 30.04.2017

[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.]

P.S. Rao & Associates
Company Secretaries
✆ : 040 - 23352186
Tele/Fax : 040 - 23352185
e- mail : psraoassociates@gmail.com
psrao_associates@rediffmail.com
Web : www.psraoassociates.com

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 Secretary

Vikas Sirohiya
M. No.15116
CP No.5246

Place: Hyderabad
Date: 30.04.2017

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	Related Party
		11. PVR & PSR Enterprises	Related Party
(b)	Nature of contracts /arrangements /transactions	Supplier of Milk on regular basis. Purchase of Cattle feed, Labour Supply.	
(c)	Duration of the contracts / arrangements/ transactions	The contracts are for supply of milk on a continuous basis. The contracts 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 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.	

(e)	Date(s) of approval by the Board, if any:	Not Applicable.	
(f)	Amount paid as advances, and due as on 31.03.2017:	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.	
(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:	Not Applicable	
(f)	Amount paid as advances, and due as on 31.03.2017:	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
		Mr. M. K. Chaitanya (from 01st April 2016 to 30th November, 2016) Mrs. M Ramakumari (from 01st December 2016 to 31st March, 2017)	Son of Mr. M. Gangadhar, Director 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 value, if any	The personnel are paid a salary as per the resolutions passed by the shareholders at their AGM held on 21st July, 2016.	

(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 31.03.2017:	NIL	
4	**Inter Corporate Deposits**		
(a)	Name(s) of the related party and nature of relationship	Astec Lifesciences Limited Natures Basket Limited	Subsidiary Company of Godrej Agrovet Limited (GAVL), Holding Company of the Company. Subsidiary Company of Godrej Industries Limited, Holding company of GAVL.
(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	**Astec Lifesciences Limited** i. Rate of Interest – 10% ii. Tenure of ICD – Three months iii. Value of the transaction : upto Rs.50.00 Crore. iv. date of ICD :18-01-2016 – Rs.25.00 crore 18.03.2016 – (5.00 Crore) 30-03-2016 – 5.00 crore 31-03-2016 –Rs.5.00 Crore Date of Repayment of ICD : 12th May,2016. **Natures Basket Limited :** i. Rate of Interest – 10% ii. Tenure of ICD – Three months iii. Value of the transaction : upto Rs.80.00 Crore. iv. date of ICD : 12-05-2016 – Rs.25.00 crore 02.02.2017 – (5.00 Crore) Date of Repayment of ICD : 12th February, 2017	
(e)	Date(s) of approval by the Board	7th January, 2016 & 11th April, 2016.	
(f)	Amount paid as advances, and outstanding as on 31.03.2017:	NIL	

For and On behalf of
Creamline Dairy Products Limited

Sd/-
K Bhasker Reddy
Managing Director

Sd/-
M Gangadhar
Executive Director

Date : 08-05-2017
Place : Hyderabad

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	Your Company has been undertaking the below mentioned steps on continuous basis across the company towards conservation of energy.
(ii). the steps taken by the company for utilizing alternate sources of energy. (iii). the capital investment on energy conservation equipment's	**WIND MILLS :** Installed 1.25MV x 2 Windmills with total power generation capacity of 2.5MV during the F.Y.2005-06 at Radhapuram, Thirunelvelli, Tamilnadu and having wheeling agreement with Tamil Nadu Electricity Board. **SOLAR POWER:** 1. Installed 1.8 MW-Solar power plant during the financial year 2015-16 at Tumkur District, Karnataka State with Wheeling and Banking agreement with Karnataka Power Transmission Corporation Limited (KPTCL)/ Bangalore Electricity Supply Company (BESCOM). 2. Installed 1.00 MW-Solar Power Plant during the financial year 2015-16 at Survey No. 319, Pidalagudipadu, Santanutlapadu Mandal, Ongole, Prakasam Dist. Andhra Pradesh for captive consumption and for sale of surplus power to the grid.
(B)Technology absorption	
(i) the efforts made towards technology absorption	Your Company has made the following efforts towards technology absorption:
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.	The benefits derived were quality improvement, cost reduction and product development.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year).	Not Applicable
(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 : Import of Machinery : Rs.3,31,00,475/-

For and On behalf of
Creamline Dairy Products Limited

Sd/- **K Bhasker Reddy** **Managing Director**	**Sd/-** **M Gangadhar** **Executive Director**

Date : 08-05-2017

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	68.17%
2	Milk Products	10502,3,4,5 & 9	31.83%

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	U15410MH1991PLC135359	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-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoter s									
(1) **Indian**									
a) Individual/ HUF	---	3178084	3178084	28.06	---	2947192	2947192	26.02	(2.04)
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	3178084	9057092	79.97	5879008	2947192	8826200	77.94	(2.04)
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	---	2252608	2252608	19.89	--	2483500	2483500	21.93	2.04
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)	---	2267608	2267608	20.02	--	2498500	2498500	22.06	2.04

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	799400	7.06	---	568508	5.02	---	(2.04)
	TOTAL	**9057092**	**79.98**	**---**	**8826200**	**77.94**	**---**	**(2.04)**

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	799400	7.06	799400	7.06
	Date wise Increase/Decrease in Promoters Shareholding during the year	230,892 Shares transferred On 28.10.2016	2.04	568508	5.02
	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	0	0	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	799400	7.06	799400	7.06
	Date wise Increase/Increase Shareholding during the year	28.10.2016 230,892 Shares transferred	2.04	568508	5.02
	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** – 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	**Kapil Sood** – 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				
12	**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	428.00	4670.00	-	5098.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	428.00	4670.00	-	5098.00
Change in Indebtedness during the financial year				
* Addition		-	-	-
* Reduction	428.00	-	-	428.00
Net Change		-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	0	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**0**	-	-	**4670.00**

Note: *The Company accepts security deposits from Transporters, Booths & Parlour and others in the ordinary course of business. The details of the security deposits with the Company for the Financial Year 2015-16 is grouped under Note 7 – Other Long Term Liabilities of the Note to accounts forming part of the financial statements.*

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)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9622444	9628420	5028420	5028420	2,93,07,704
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	804300	804300	804300	804300	32,17,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil

4	Commission- as % of profit - others, specify.	Nil	Nil	Nil	Nil	Nil
5	Others, (Recovery)	4,13,556	4,11,756	4,11,756	4,11,756	16,48,824
	Total (A)	**1,00,13,188**	**1,00,20,964**	**54,20,964**	**54,20,964**	**3,08,76,080**
	Ceiling as per the Act	As prescribed under Schedule V to the Companies Act, 2013 and as per the special resolution passed by the shareholders at their AGM held on 21st July, 2016.				

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

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Jude Julius john Fernandes	Surekha Revalli	
1	Independent Directors			
	Fee for attending board committee meetings	60,000	100,000	160,000
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total	60,000	100,000	160,000
	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	**CS**	**CFO**	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10833276	970874	1383524	1,31,87,674
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	247633	186000	124000	5,57,633
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit	Nil	Nil	Nil	Nil
	others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	**1,10,80,909***	**11,56,874**	**15,07,524**	**1,37,45,307**

Note : ***This amount includes the remuneration paid to Ex-CEO Mr. P. Gopalakrishnan for Nine months and the present CEO Mr. Raj Kanwar Singh for a period of Six Months.

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 : 08.05.2017	**K. Bhasker Reddy**	**M. Gangadhar**
Place :Hyderabad	**Managing Director**	**Executive Director**

CREAMLINE DAIRY PRODUCTS LIMITED

NOTICE

Notice is hereby given that the ***30th*** Annual General Meeting of the Members of the Company [CIN: U15201TG1986PLC006912] will be held on Thursday the 27th July, 2017 at the Registered Office of the Company at 10:00 A.M, to transact the following business.

ORDINARY BUSINESS

1. **TO CONSIDER AND ADOPT**

   a) The audited financial statement of the Company for the financial year ended March 31, 2017, the report of the Board of Directors and Auditors thereon; and

   b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2017.

   RE-APPOINTMENT OF DIRECTORS

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

3. To appoint a Director in place of Mr. Balram Singh Yadav [DIN: 00294803], who retires by rotation and being eligible offers himself for re-appointment.

   PAYMENT OF DIVIDEND

4. To approve the dividend of 30 % i.e. Rs. 3/- per equity share as the dividend for the year 2016-17.

   APPOINTMENT OF STATUTORY AUDITOR AND FIXING AUDITORS REMUNERATION

5. To appointment of Auditors and fix their remuneration 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 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, M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.:101248W/W-100022) be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (Five) Years, i.e. up to the 35th Annual general meeting to be held on the year 2022 subject to ratification by the shareholders at every Annual General Meeting, at a remuneration as may be mutually agreed between the Statutory Auditors and the Company."

SPECIAL BUSINESS

6. To appoint Mr. M Ramakumari, relative of Mr. M Gangadhar, Executive Director as Resource Manager of the Company and in this regard 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 the Section 188 (1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 , including statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time and subject to such approvals, permissions and sanctions, if required and as may be necessary, the Board of Directors do ratify the appointment of Mrs. M. Rama Kumari, who is a relative of Mr. M. Gangadhar, Executive Director, to hold an office or place of profit under the Company as a Resource Manager or with such other designation, in place of Mr. M. Krishna Chaitanya, as the Board of Directors of the Company may, from time to time decide with effect from 1st December, 2016 up to 31st March, 2019, upon a monthly basic salary and other allowances, contribution towards Provident Fund and other benefits, amenities and facilities upto Rs.2,50,000/- (Rupees Two Lac Fifty Thousand Only) per month, i.e., Rs.30,00,000/- (Rupees Thirty Lac Only) per annum."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise her remuneration as and when the Board of Directors deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, including with the approval of the Central Government, as may be required, pursuant to the provisions of Section 188(1) (f) and other applicable provisions of the Companies Act, 2013 and/or the Rules framed thereunder."

"**RESOLVED FURTHER THAT** a copy of the foregoing resolution certified to be true by any Director of the Company or the Company Secretary be submitted to the concerned person(s) / authority(ies) and they be requested to act thereon."

By Order of the Board
For Creamline Dairy Products Limited

Sd/-
S. Raghava Reddy
Company Secretary

Date: 8th May, 2017.
Place: Hyderabad

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll at the meeting instead of himself. Such a proxy need not be a member of the Company.
2. An instrument of Proxy in order to be effective and valid must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members are requested to notify immediately any change in their address to the Company's registered office with ledger folio number(s).

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item Nos. : 6

The Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 31st January, 2017, approved the appointment of Mrs. Rama Kumari as Resource Manager of the Company at a salary in the grade of Rs. 2,50,000/- (Rupees Two Lac Fifty Thousand Only) per month, i.e., Rs.30,00,000/- (Rupees Thirty Lac Only) per annum inclusive of all the perquisites, amenities and benefits.

According to the provisions of section 188(1) (f) and Rule 15(3) of the Companies (Meeting of the Board and its powers) Rules, 2014, any contract or arrangement with a related Party (ies), as details given below, for appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company at a monthly Remuneration as mentioned in respective resolutions, requires the approval of shareholders.

Name of the related party	Name of the Director who is related	Nature of the relations hip	Monitory value
Mrs. Rama Kumari	Mr. M Gangadhar	Wife	Rs.2,50,000/- per month

None of the Directors/Key Managerial Personnel or their relatives, except Mr. M Gangadhar, is interested in the Resolutions pertaining to appointment of Resource Managers.

The Board recommends the Resolutions set forth in the Item Nos. 06 of the Notice for approval of the members.

By Order of the Board
For Creamline Dairy Products Limited

Sd/-
S. Raghava Reddy
Company Secretary

Date: 8th May, 2017
Place: Hyderabad

CREAMLINE DAIRY PRODUCTS LIMITED

Special Notice to the shareholders
Creamline Dairy products Limited

Notice is hereby given that the shareholders are requested to consider the special business as mentioned to below at their ensuing ***30th*** Annual General Meeting to be held on Thursday the 27th July, 2017 at the Registered Office of the Company at 10:00 A.M, in addition to the business as mentioned in the Notice which was already circulated to the shareholders on 8th May, 2017.

SPECIAL BUSINESS

1. To consider and, if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Mr. Kavas Noshirwan Petigara [DIN: 00066162], who was appointed as an Independent Additional Director by the Board of Directors of the Company by way of Circulation Resolution on 18.07.2017 pursuant to the provision of section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and who holds office up to the date ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing, under section 160 of the Companies Act 2013, from him proposing himself as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing form the date of 18th July, 2017.”

By Order of the Board
For Creamline Dairy Products Limited

Sd/-
S. Raghava Reddy
Company Secretary

Date: 18th July, 2017.
Place: Hyderabad

<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:

As our holding company Godrej Agrovet Limited (GAVL) is going for Initial Public Offering (IPO), it is required under Securities And Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009, that all the unlisted material subsidiaries of GAVL shall have on their Board one of the Independent Directors of GAVL. In order to comply this requirement, the Nomination and Remuneration Committee of Creamline Dairy Products Limited, vide its resolution passed by circulation on 18th July 2017, has recommended the appointment of **Mr. Kavas Noshirwan Petigara (DIN: 00066162),** who is an Independent Director of GAVL, as an Independent Director of the Creamline Dairy Products Limited.

And based on the recommendations of the Nomination & Remuneration Committee, the Members of the Board appointed **Mr. Kavas Noshirwan Petigara** (DIN: 00066162), as an Independent Director of the Company by way of circular resolution on 18th July, 2017.

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

The Company has received from Mr. Kavas Noshirwan Petigara

(i) Consent in writing to act as Independent director
(ii) Intimation to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and
(iii) 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, Mr. Kavas Noshirwan Petigara fulfills the conditions for his appointment as Independent Directors as specified in the Companies Act, 2013. Mr. Kavas Noshirwan Petigara is independent of the management. It is therefore proposed that Mr. Kavas Noshirwan Petigara 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 Mr. Kavas Noshirwan Petigara 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.

This notice is being served on all the members as per Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act,2013.

The Board recommends the resolution as mentioned above for approval of the members.

None of the Directors/ Key Managerial Personnel or their relatives, is interested in the said resolution except Mr. Kavas Noshirwan Petigara to the extent of the resolution related to his appointment.

Your Directors recommend the said resolution for your approval.

By Order of the Board
For Creamline Dairy Products Limited

Sd/-
S. Raghava Reddy
Company Secretary

Date: 18th July, 2017
Place: Hyderabad

Independent Auditors' Report on Standalone Financial Statements

To
The Members of Creamline Dairy Products Limited,

Report on the Standalone Financial Statements:

1. We have audited the accompanying standalone Ind AS financial statements of **Creamline Dairy Products Limited (the "Company")** which comprise the attached Balance Sheet as at 31st March 2017, the statement of Profit and Loss Account (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the Standalone Ind AS Financial Statements").

Management's Responsibility for the Financial Statements:

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (" the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income),cash flows and Changes in Equity 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 Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility:

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter:

The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 12th May 2016 and 17th August 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on other legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013(hereinafter referred to as "the Act"),and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Standalone Financial Statements (Balance Sheet, the statement of Profit and Loss and the Cash Flow statement) dealt with by this report are in agreement with the relevant books of accounts;

   d. In our opinion, the aforesaid standalone financial statements (the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement) dealt with by this report comply with the Indian Accounting Standards Specified under Section 133 of the Companies Act, 2013.

   e. On the basis of written representations received from the directors of the Company as on March 31st, 2017 taken on record by the Board of Directors of the Company, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164(2) of the Companies Act, 2013.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations give to us

i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 of the notes to accounts of the Standalone Ind AS financial statements;

ii) The company did not have any material foreseeable losses on long term contracts including derivative contracts.

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

iv) The Company has provided requisite disclosures in its Standalone Ind AS financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 by the company. Based on the audit procedures performed and relying on the Management representation, in our opinion, these disclosures are in accordance with the books of account and other records maintained by the company and as produced to us by the Management. Refer note 46 of notes to accounts of the Standalone Ind AS financial statements.

For S.B.S.MANIAN & CO.
Chartered Accountants,
Firm No.008165S

Place: Hyderabad
Date: 08.05.2017

CA.**S.B.S.MANIAN**
Partner
Membership.No.26586

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in paragraph 1 under our 'Report on other legal and Regulatory requirements in the independent auditors report of even date to the members of Creamline Dairy Products Ltd on the standalone financial statements for accounts of the Company for the year ended 31st March, 2017, we report that

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

(i) a) On the basis of available information, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, all Fixed assets have not been physically verified by the management during the year but there is regular program of verification which, in our opinion, in reasonable having regard to the size of the Company and the nature of its assets. 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 are held in the name of the Company except:

(Rs in Lac)

S.No	Type of Assets	Gross Block as at March 31,2017	Net Block as at March 31,2017	Remarks
1	Free Hold Land Located at BN Kandriga	2.13	2.13	Company is in the process of transferring the title deeds.
2	Free Hold Land Located at Uthangarai	6.5	6.5	The Process to transfer the title deeds in favor of the company is yet to commence.
3	Free Hold Land Located	128.66	128.66	The Process to transfer the

	at Karivalamvanthanalloor			title deeds in favor of the company is yet to commence.
4	Free Hold Land Located at Vannikoneanthal	51.27	51.27	The Process to transfer the title deeds in favor of the company is yet to commence.

(ii) a) In respect of inventories (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted loan to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the Provisions of section 185 and 186 of the Act, with respect to the Loans made.

(v) In our opinion and according to the information and explanations Given to us, the Company has not accepted any deposits from the Public within the provisions of the sections 73 to 76 of the Act and the rules framed thereunder to the extent notified

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central government of India, the maintenance of cost records has been specified under clause (d) of sub-section (1) of Section 148 of the Act, and are of the opinion that, primafacie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including , Provident fund, Employees' State Insurance , Income Tax, Sales Tax, Service Tax, value added tax, duty of customs, Excise Duty, Cess and other material statutory dues applicable have been deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, value added tax, duty of customs, Excise Duty, Cess and other material statutory dues applicable statutory dues were in arrears as at 31.03.2017 for a period of more than six months from the date of being payable.

b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, value added tax, duty of customs, service tax, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows

	Income Tax		
	A.Y 2005-06 (F.Y.2004-05)	Rs.38.21 lakhs out of which Rs.33.72 lakhs has been deposited/adjusted	High court of Judicature of Andhra Pradesh at Hyderabad arising out of the order of the Income tax Appellate Tribunal, Hyderabad
	A.Y 2008-09 (F.Y.2007-08)	Rs.12.75 lakhs. The entire amount has been deposited.	Income Tax appellate tribunal has disposed the matter and advised the assessing officer for consequential order ,which is pending
	A.Y.1995-96	Rs.0.71 Lakhs	Commissioner of Income tax Appellate Tribunal
	A.Y.1996-97	Rs.2.97 Lakhs	Commissioner of Income tax Appellate Tribunal
	A.Y.1997-98	Rs.7.09 lakhs	Commissioner of Income tax Appellate Tribunal
	A.Y.1998-99	Rs.9.69 Lakhs	Commissioner of Income tax Appellate Tribunal
	A.Y.1999-00	Rs.29.95 Lakhs	Commissioner of Income tax Appellate Tribunal
	A.Y.2000-01	Rs.0.89	Commissioner of Income tax Appellate Tribunal
	A.Y.2014-15	Rs.10.75 The entire amount has been deposited/adjusted .	Commissioner of Income tax Appellate Tribunal

2.	**Sales Tax** F.Y. 2004-05	Rs.17.56 lakhs Out of which RS Rs.2.51 lakhs has been deposited.	Sales Tax Appellate Tribunal
	F.Y.2005-06	Rs.8.66 lakhs The entire amount has been deposited	Andhra Pradesh High Court Revision order awaited from assessing officer (VAT)
	FY 2010-11	Rs.1.08 lakhs The entire amount has been deposited	The Appellate Dy. Commissioner (CT)
	FY 1-4-2014 to 30-6-2016	Rs .206.05 lakhs	Andhra Pradesh High Court

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of dues to financial Institutions or Banks as at the balance sheet date.

(ix) The According to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, the term loans taken by the company were applied for the purpose for which the loans were 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 explanation given to us, we report that no material fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such instance by the management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has Paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, Paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, Transactions with the related parties are in compliance with the Sections 177 and 188 of the Act where applicable and details of Such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give 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, paragraph 3(xiv) of the order is not applicable.

(xv) According 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 them. Accordingly, paragraph 3 (xv) of the order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act1934.

For S.B.S.MANIAN & CO.
Chartered Accountants
Firm No.008165S

Place: Hyderabad
Date: 08.05.2017

CA.S.B.S.MANIAN
PARTNER
Membership.No.26586

Annexure – B to the Auditors Report

Report on the Internal Financial Controls under clause (i) of sub Subsection 3 of Section 143 of the Companies Act,2013(" the Act")

The Members of Creamline Dairy Products Limited,

We were engaged to audit the internal financial controls over financial reporting of Cream line Dairy Products Limited ("the Company") as of 31st March'2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial Reporting issued by the Institute of Chartered Accountants of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion:

In our opinion , the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.B.S.MANIAN & CO.**
Chartered Accountants
Firm No.008165S

Place: Hyderabad
Date: 08.05.2017

CA.S.B.S.MANIAN
PARTNER
Membership.No.26586

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)
Standalone balance sheet

	Notes	31 March, 2017	31 March, 2016	1 April, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	17,123	9,242	8,245
Capital work-in-progress	3	1,256	688	194
Other intangible assets	4	308	279	252
Financial assets				
(i) Investments	5 (a)	563	563	563
(ii) Trade receivables	5(b)	-	-	-
(iii) Other financial assets	5 (e)	265	219	285
Non - Current tax assets	8	34	-	-
Other non-current assets	6	1,329	190	60
Total non-current assets		**20,879**	**11,182**	**9,599**
Current assets				
Inventories	9	9,986	6,873	9,545
Financial assets				
(i) Investments	5(a)(i)	-	5,199	-
(ii) Trade receivables	5(b)	470	574	350
(iii) Cash and cash equivalents	5(d)	1,354	952	595
(iv) Loans	5(c)	-	3,047	-
(v) Other financial assets	5 (e)	226	156	138
Current tax assets	8	18	-	43
Other current assets	7	199	195	197
Total current assets		**12,254**	**16,996**	**10,869**
Total assets		**33,133**	**28,178**	**20,467**

	Notes	31 March, 2017	31 March, 2016	1 April, 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10 (a)	1,132	1,132	1,028
Other Equity				
Reserves and Surplus	10 (b)	18,208	15,499	8,233
Total equity		**19,341**	**16,631**	**9,261**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	11 (a)	1,345	571	1,357
Employee benefit obligations	13	185	97	56
Deferred tax liabilities	14	503	181	126
Government grants	16	198	205	240
Total non-current liabilities		**2,232**	**1,053**	**1,779**
Current liabilities				
Financial liabilities				
(i) Borrowings	11 (b)	3,828	4,169	1,420
(ii) Trade payables	12	3,832	3,185	5,208
(iii) Other Financial liabilities	11 (c)	3,563	2,509	2,398
Employee benefit obligations	13	34	19	17
Government grants	16	6	35	137
Current tax liabilities	15	-	285	-
Other current liabilities	17	297	291	247
Total current liabilities		**11,560**	**10,493**	**9,427**
Total liabilities		**13,792**	**11,547**	**11,207**
Total equity and liabilities		**33,133**	**28,178**	**20,467**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)

Standalone statement of profit and loss

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from operations	18	100,992	92,746
Other income	19 (a)	594	285
Other gains/(losses)-net	19 (b)	266	103
Total income		**101,852**	**93,135**
Expenses			
Cost of materials consumed	20 (a)	81,582	72,568
Changes in inventories of work-in-progress and finished goods	20 (b)	(1,681)	1,651
Excise duty		59	45
Employee benefit expense	21	4,726	3,433
Depreciation and amortisatior	22	1,429	1,196
Other expenses	23	10,981	9,421
Finance costs	24	493	431
Total expenses		**97,588**	**88,747**
Profit before exceptional items and tax		**4,263**	**4,388**
Exceptional items		-	-
Profit before tax		**4,263**	**4,388**
Income tax expense			
-Current tax	25	1,300	1,410
-Deferred tax	25	358	68
Total tax expense		**1,658**	**1,478**
Profit for the year		**2,605**	**2,910**

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	13	(105)	(38)
Deferred Income tax relating to this item	25	36	13
Other comprehensive income/(loss) for the year		**(69)**	**(25)**
Total comprehensive income/(loss) for the year		**2,536**	**2,885**

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Profit is attributable to:			
Owners of Creamline Dairy Products Limited		2,605	2,910
		2,605	**2,910**
Other comprehensive income/(loss) attributable to:			
Owners of Creamline Dairy Products Limited		(69)	(25)
		(69)	**(25)**
Total comprehensive income attributable to:			
Owners of Creamline Dairy Products Limited		2,536	2,885
		2,536	**2,885**
Earnings per equity share attributable to owners of Creamline Dairy Products Limited			
Basis earnings per share	37	23.00	27.54
Diluted earnings per share	37	23.00	27.54

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.
This is the Profit & Loss Statement referred to in our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)

Standalone statement of cash flows

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Cash flow from operating activities			
Profit before income tax		4,263	4,388
Adjustments for:			
Depreciation and amortisation expense	22	1,429	1,196
Net (Gain)/loss on disposal/scrapping of plant, equipment and other assets	19 (b)	59	(4)
Amortisation of government grants	19 (a)	(35)	(137)
Changes in fair valuation of investments through profit or loss	19 (b)	-	(99)
Interest income classified as investing cash flows	19 (a)	(376)	(82)
Net gain on sale of investments	19(b)	(266)	(99)
Sundry balances written off (net)	23	(2)	16
Bad debts written off (net)	23	102	3
Provision for doubtful debts/advances	23	95	37
Finance costs	24	493	431
Change in operating assets and liabilities			
(Increase)/Decrease in trade receivables	5 (b)	(69)	(262)
(Increase)/Decrease in inventories	9	(3,114)	2,673
(Increase)/Decrease in other financial assets	5 (e)	(110)	40
(Increase)/Decrease in other current and non-current assets	6, 7	28	(25)
Increase/(Decrease) in trade payables	11 (d)	650	(2,038)
Increase/(Decrease) in other financial liabilities	11 (c)	513	161
Increase/(Decrease) in employee benefit obligations	13	208	5
Increase/(Decrease) in other current and non-current liabilities	17	(6)	44
Cash generated from operations		3,862	**6,247**
Income taxes paid	25	**(1,638)**	**(1,081)**
Net cash inflow/(outflow) from operating activities		**2,224**	**5,166**
Cash flows from investing activities			
Payments for property, plant and equipment (Refer Note 31)	3	(10,441)	(2,031)
Proceeds from sale of property, plant and equipment	3	40	18
Loans to related parties	5(c)	3,000	(3,000)
Dividend received	19 (a)	-	2
Interest received	19 (a)	368	41
Net cash inflow/(outflow) from investing activities		**(7,033)**	**(4,970)**
Cash flows from financing activities			
Proceeds from issues of shares	10 (a)	-	5,103
Repayment of long term borrowings (net)	11 (a)	559	(1,639)
Proceeds from short term borrowings (net)	11 (b)	(341)	2,749
Sale/(Purchase) of investments	5(a)(i)	5,199	(5,100)
Net gain on sale of investments	19(b)	266	99
Interest paid	24	(473)	(433)
Dividends paid to company's shareholders (including tax)	10 (b)	-	(618)
Net cash inflow/(outflow) from financing activities		**5,210**	**161**
Net increase (decrease) in cash and cash equivalents		**402**	**357**
Cash and cash equivalents at the beginning of the financial year	5(d)	952	595
Cash and cash equivalents at end of the year		**1,354**	**952**

Reconciliation of cash and cash equivalents as per the cash flow statement

		31 March, 2017	31 March, 2016
Cash and cash equivalents as per above comprise of the following:			
Cash and cash equivalents	5(d)	1,354	952
Bank overdrafts	5(d)		-
Balances per statement of cash flows		**1,354**	**952**

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.
This is the Cash Flow Statement referred to in our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

For and on behalf of the Board of Directors

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)
Standalone statement of changes in equity

A. Equity share capital

	Notes	
As at 1 April, 2015	10 (a) (i)	1,028
Changes in equity share capital	10 (a) (i)	105
As at 31 March, 2016		1,132
Changes in equity share capital	10 (a) (i)	-
As at 31 March, 2017		1,132

B. Other equity

	Notes	Attributable to owners of Creamline Dairy				
		Reserves and surplus				Total
		Securities premium reserve	General Reserves	Capital Reserves	Retained earnings	
Balance at 1 April, 2015	10 (b)	**722**	**1,194**	**2**	**6,315**	**8,233**
Profit for the year		-	-	-	2,910	2,910
Other comprehensive income		-	-	-	(25)	(25)
Total comprehensive income for the year		**-**	**-**	**-**	**2,885**	**2,885**
Transactions with owners in their capacity as owners:						
Issue of equity shares	10(b) (i)	4,998		-	-	4,998
Transferred to General Reserve	10(b) (ii)/(iii)	-	125	-	(125)	-
Interim Dividend per share (31 March 2016:Rs.3)					(308)	(308)
Tax on interim Dividend	10(b) (iii)	-	-	-	(63)	(63)
Final Dividend per share (31 March 2015: Rs 2)					(206)	(206)
Tax on final dividend	10(b) (iii)	-	-	-	(41)	(41)
Balance at 31 March 2016		**5,720**	**1,319**	**2**	**8,458**	**15,499**

	Notes	Attributable to owners of Creamline Dairy				
		Reserves and surplus				Total
		Securities premium reserve	General Reserves	Capital Reserves	Retained earnings	
Balance at 1 April, 2016		**5,720**	**1,319**	**2**	**8,458**	**15,499**
Profit for the year					2,605	**2,605**
Other comprehensive income					(69)	**(69)**
Reversal of capitalised borrowing cost (IndAs Adjustment)					0.12	**0.12**
Total comprehensive income for the year		-	-	-	**2,536**	**2,536**
Transactions with owners in their capacity as owners:						
Issue of equity shares	10(b) (i)					**-**
Transferred to General Reserve			125		(125)	**-**
Acquisitions				173		**173**
Balance at 31 March 2017		**5,720**	**1,444**	**175**	**10,870**	**18,208**

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Freehold land	Buildings on freehold land	Plant and Machinery	Electrical Installations	Furniture & Fixtures	Vehicles	Office equipment	Crates, Cans & Milk o Testers	Renewable Energy-Wind Mills & Solar Equipment	Computers	Grand Total	Capital work-in-progress
Year ended 31 March 2016												
Gross carrying amount												
Deemed cost as at 1 April 2015	**916**	**3,528**	**8,907**	**490**	**164**	**421**	**197**	**767**	**1,090**	**403**	**16,881**	**194**
Additions	-	186	721	39	2	109	2	5	1,024	23	2,112	4,487
Disposals	-	-	30	21	-	9	-	-	-	-	60	3,993
Closing gross carrying amount	**916**	**3,714**	**9,598**	**508**	**165**	**521**	**199**	**772**	**2,114**	**427**	**18,933**	**688**
Accumulated depreciation	**-**	**793**	**5,576**	**310**	**95**	**198**	**175**	**672**	**505**	**313**	**8,636**	**-**
Depreciation charge during the year	-	104	787	32	15	49	4	28	44	38	1,101	-
Disposals	-	-	18	21	-	8	-	-	-	-	46	-
Closing accumulated depreciation	**-**	**897**	**6,345**	**321**	**110**	**239**	**179**	**700**	**549**	**350**	**9,691**	**-**
Net carrying amount	**916**	**2,817**	**3,253**	**187**	**55**	**282**	**20**	**72**	**1,565**	**76**	**9,242**	**688**
Year ended 31 March 2017												
Gross carrying amount												
Opening Gross carrying amount	916	3,714	9,598	508	165	521	199	772	2,114	427	**18,933**	688
Additions	318	115	1,715	17	3	111	19	-	550	32	**2,880**	3,525
Acquisitions	1,639	2,480	1,622	183	9	473	17	37	-	6	**6,465**	
Disposals	0.31	0.04	1,121	41	32	85	76	200	-	144	**1,699**	2,956
Closing gross carrying amount	**2,872**	**6,309**	**11,814**	**667**	**145**	**1,019**	**159**	**609**	**2,664**	**320**	**26,579**	**1,256**
Accumulated depreciation and impairment												
Opening accumulated depreciation	-	897	6,345	321	110	239	179	700	549	350	**9,691**	-
Depreciation charge during the year	-	141	939	44	14	59	7	24	101	35	**1,364**	
Disposals	-	0.01	1,043	37	31	80	73	196	-	140	**1,600**	
Closing accumulated depreciation and impairment	-	1,038	6,242	328	93	219	113	528	650	246	9,456	-
Net carrying amount	**2,872**	**5,271**	**5,572**	**339**	**53**	**800**	**46**	**81**	**2,014**	**74**	**17,123**	**1,256**

(i) Property, plant and equipment pledged as security
No property, plant have been pledged as security during the end of the financial year. Please Refer to note 11 for information on property, plant and equipment pledged as security by the Company
(ii) Acquisitions
Please refer note 31 - Business combination for acquisitions during the year
(iii) Contractual Obligations
Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(iv) Capital work-in-progress
Capital work in progress as of 31 March 2017 of Rs 1256 lakhs includes expansion/modernisation of processing facilities
Previous year of Rs 688 lakhs includes solar power equipment's under implementation and other regular expansion of the plants of the Company

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 4: Intangible assets

	Computer Software
Year ended 31 March 2016	
Gross carrying amount	
Deemed cost as at 1 April 2015	335
Additions	123
Closing gross carrying amount	**458**
Accumulated amortisation	
Opening accumulated amortisation	83
Amortisation charge for the year	95
Closing accumulated amortisation	**178**
Closing net carrying amount	**279**
Year ended 31 March 2017	
Gross carrying amount	
Opening gross carrying amount	458
Additions	94
Acquisitions	0.01
Closing gross carrying amount	**552**
Accumulated amortisation and impairment	
Opening accumulated amortisation	178
Amortisation charge during the year	65
Impairment charge	-
Closing accumulated amortisation	**243**
Closing net carrying amount	**308**

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 amounting to Rs. 194 Lakhs. The recoverable value of the goodwill has been determined as fair value less costs of disposal of the aforesaid land, amounting to Rs. 1,214 Lakhs based on the valuation report of Prasad & Associates, Registered valuers as at 16th June, 2016. As the recoverable value is higher than the carrying value of goodwill, no impairment loss has been recognised.

Note 5: Financial assets
5(a) Non-Current investments

	31 March 2017	31 March 2016	1 April 2015
Unquoted			
Investment in Equity Instruments			
Investment in Subsidiary			
Nagavalli Milkline Private Limited (2,010,400 @Rs. 10/- per fully paid up equity share)	563	563	563
(Previous year 2,010,400 @ Rs. 10/- per fully paid up equity share)			
Investment in Government Securities	0.17	0.17	0.17
Investment in National savings certificates			
Total Non-current investments	**563**	**563**	**563**

5(a)(i) Current investments

	31 March 2017	31 March 2016	1 April 2015
Investment in mutual funds			
Quoted			
(31 March, 2016: 4,644,768.133; 1 April 2015: Nil) units in DSP Black Rock Ultra Short Term Fund	-	510	-
(31 March, 2016: 5,230,228.103; 1 April 2015: Nil) units in ICICI Prudential Ultra Short Term Fund	-	816	-
(31 March, 2016: 267,187.742; 1 April 2015: Nil) units in ICICI Prudential Savings Fund	-	613	-
(31 March, 2016: 2,394,693.36; 1 April 2015: Nil) units in IDFC Ultra Short Term Fund	-	510	-
(31 March, 2016: 67,102.062; 1 April 2015: Nil) units in Kotak Low Duration Fund Standard Growth	-	1,219	-
(31 March, 2016: 4,820,856.956; 1 April 2015: Nil) units in Reliance Medium Term Fund	-	1,530	-
Total (mutual funds)	**-**	**5,199**	**-**
Total Current investments	**-**	**5,199**	**-**

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

5(b) Trade receivables (Unsecured)

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Trade receivables	470	-	574	-	350	-
Receivables from related parties	-	-	-	-	-	-
Doubtful Debts (Refer note below)	78	47	49	-	25	-
Less: Allowance for doubtful debts	(78)	(47)	(49)	-	(25)	-
Total receivables	**470**	-	**574**	-	**350**	-
Due with in 365 days	434	-	541	-	319	-
Due for more than 365 days	36	-	33	-	31	-

Note: Non-current Doubtful debts for FY 16-17 includes Rs. 47 lakhs towards provision for Expected Credit Loss

5(c) Loans

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good						
Loans to a related parties	-	-	3,000	-	-	-
Interest receivable thereon	-	-	47	-	-	-
Total loans	-	-	**3,047**	-	-	-

5(d) Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
-in current accounts	975	623	358
Cash on hand	379	329	237
Total cash and cash equivalents	**1,354**	**952**	**595**

5(e) Other financial assets

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Security deposits	95	256	76	193	28	215
Advances to related parties	-	-	27	-	58	17
Advances to employees	3	8	0.7	-	1	14
Advances to milk suppliers	116	37	49	39	42	26
Less: Provision for doubtful advances	-	(37)	-	(39)	-	(26)
Fixed deposits with maturity of more than 12 months	-	1	-	26	-	39
Interest receivable	11	-	3	-	10	-
Total financial assets	**226**	**265**	**156**	**219**	**138**	**285**

Note 6: Other non-current assets

	31 March 2017	31 March 2016	1 April 2015
Advances to suppliers	-	41	14
Prepaid expenses	22	1	17
Capital advances	1,302	132	29
Other Non-current Assets	5	16	-
Total other non-current assets	**1,329**	**190**	**60**

Note 7: Other current assets

	31 March 2017	31 March 2016	1 April 2015
Advances to suppliers	69	95	121
Prepaid expenses	126	100	76
Other Current Assets	4	-	-
Total other current assets	**199**	**195**	**197**

Note 8: Tax assets (Refer Note 36)

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Advance income tax	18	34	-	-	43	-
Total current tax assets	**18**	**34**	-	-	**43**	-

Note 9: Inventories (As verified, valued and certified by the Management)

	31 March 2017	31 March 2016	1 April 2015
Raw Materials	3,393	2,250	3,237
Packing Materials	504	335	366
Finished Goods	5,231	3,880	5,397
Work - in - Process	543	214	347
Consumables, Stores and Spares	316	194	197
Total inventories	**9,986**	**6,873**	**9,545**

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 10: Equity share capital and other equity
10 (a) Equity share capital

Authorised equity share capital

	Number of shares	Amount
As at 1st April 2015	15,000,000	1,500
Increase during the year	-	-
As at 31st March 2016	15,000,000	1,500
Increase during the year	-	-
As at 31st March 2017	15,000,000	1,500

(i) Movements in equity share capital

	Number of shares	Amount
As at 1st April 2015	10,276,893	1,028
Shares issued during the year	1,047,807	105
As at 31st March 2016	11,324,700	1,132
Shares issued during the year	-	-
As at 31st March 2017	11,324,700	1,132

Terms and rights attached to equity shares
The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs.10/- each per share. Each holder of equity shares 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 share holders.

(iii) Details of shareholders holding more than 5% shares in the company

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each fully paid-up						
Godrej Agrovet Limited, the holding company	5,879,008	51.91	5,879,008	51.91	2,671,993	26.00
K.Bhasker Reddy	868,500	7.67	868,500	7.67	868,500	8.45
D. Chandra Shekhar Reddy	835,292	7.38	835,292	7.38	835,292	8.13
C.Balraj Goud	654,892	5.78	654,892	5.78	744,892	7.25
M.Gangadhar	568,508	5.02	799,400	7.06	834,400	8.12

(iv) Shares held by holding/ ultimate holding company

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of share	% holding
Equity shares of Rs. 10/- each fully paid-up						
Godrej Agrovet Limited, the holding company	5,879,008	51.91	5,879,008	51.91	2,671,993	26.00

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

10 (b) Reserves and surplus

	31 March 2017	31 March 2016	1 April 2015
Capital Reserve	175	2	2
Securities Premium	5,720	5,720	722
General Reserve	1,444	1,319	1,194
Retained Earnings	10,870	8,458	6,315
Total reserves and surplus	**18,208**	**15,499**	**8,233**

(i) Securities Premium

	31 March 2017	31 March 2016
Opening Balance	5,720	722
Add: Additions during the year	-	4,998
Closing Balance	**5,720**	**5,720**

(ii) General Reserve

	31 March 2017	31 March 2016
Opening Balance	1,319	1,194
Add: Additions during the year	125	125
Closing Balance	**1,444**	**1,319**

(iii) Retained Earnings

	31 March 2017	31 March 2016
Opening Balance	8,458	6,315
Add: Adjustment due to reversal of capitalised borrowing cost	0.12	-
Add: Net profit for the year	2,605	2,910
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post-employment benefit obligation, net of tax	(69)	(25)
Appropriations:		
Transferred to General Reserve	(125)	(125)
Interim Dividend per share Rs Nil (31 March 2016:Rs.3 per share)	-	(308)
Tax on interim Dividend	-	(63)
Final Dividend per share Rs. Nil (31 March 2015: Rs.2 per share)	-	(206)
Tax on final dividend	-	(41)
Closing Balance	**10,870**	**8,458**

Nature & Purpose of the above Reserves :

(i) Capital Reserve

Capital Reserve - Refer note no.31

(ii) Securities Premium

Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General Reserve

The Group required to create a General Reserve out of the profits to meet any future contingencies

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 11: Financial liabilities
11 (a) Non-current borrowings

	Maturity Date	Terms of repayment	Coupon/interest rate	31 March 2017	31 March 2016	1 April 2015
Secured						
Term Loans						
From Banks - Indian Rupee Loan 1 (ICICI Bank)	20 July, 2016	Repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement.	MIBOR+2%	-	318	318
From Banks - Indian Rupee Loan 2 (ICICI Bank)	30 September, 2015	Repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement.	MIBOR+2%	-	-	755
Vehicle Loan						
Vehicle Loan from banks	2017 to 2019	Repayable in 36 equal monthly instalments from the date of disbursement.	9.5% to 10.26%	64	108	62
Unsecured						
Term Loans						
From Banks - Indian Rupee Loan 3 (Citi Bank)	29 March 2020	50% at the end of 18 months from the date of drawn down 50% at the end of 36 months from the date of drawn down	5.97%	520	-	-
From Banks - Indian Rupee Loan 4 (Yes Bank)	31 December, 2022	Post Moratorium Repayable in 16 structured quarterly instalments commencing from 1st January 2018	9.1%	375	-	-
From Banks - Indian Rupee Loan 5 (Yes Bank)	22 July, 2016	Repayable in 6 equal quarterly instalments commencing from six months from the date of first disbursement	10.75%	-	-	1,500
From Banks - Indian Rupee Loan 6 (Kotak Mahindra Bank)	30 March, 2021	Repayable in 18 equal quarterly instalments commencing from six months from the date of first disbursement	9.50%	596	570	-
Total non-current borrowings				**1,555**	**996**	**2,635**
Less: Current maturities of long-term debt (included in note 12(C))				163	381	1,255
Less: Current maturities of vehicle loan (included in note 12 (C))				47	44	22
Less: Interest accrued				-	-	-
Non-current borrowings (as per balance sheet)				**1,345**	**571**	**1,357**

Maturity date, terms of repayment and interest rate on above loans

ICICI Bank : Rupee Loan (secured)

a) Rupee Term loan of Rs.3,000.00 lakhs A/c No.C127708001 (Outstanding) as on Mar 31st 2017- Rs. Nil (Previous year Rs.317.59 lakhs) carries interest Nil. (Previous year interest - 11.50%). Term Loans have been drawn in three tranches and repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement. The loan is secured by first paripasu charge on fixed assets of the company apart from extension of first charge on movable and immovable fixed assets of the company already charged with ICICI Bank Ltd on pari pasu basis of the Company. They are also secured by the personal guarantee of the Managing Director and three other whole time Directors of the Company which was subsequently withdrawn.

b) Rupee Term loan of Rs.1200.00 lakhs A/c No.C127707001 (Outstanding) as on 31st Mar, 2017 - Nil (Previous year Rs.120.02 lakhs) carries interest @ 11.50% pa. (Previous year interest - @ 12.25% pa). The term loan is repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement. The loan is secured by first paripasu charge on fixed assets of the company apart from extension of first charge on movable and immovable fixed assets of the company already charged with ICICI Bank Ltd on pari pasu basis of the Company. They are also secured by the personal guarantee of the Managing Director and three other whole time Directors of the Company.

Kotak Mahindra - Vehicle Loan (secured)

The vehicle loan from Kotak Mahindra Prime Ltd - Agr.No.CF-11270654 outstanding as on 31st March, 2017 is Rs.12.81 lakhs (Previous year Rs.23.98 lakhs) carries interest @ 9.78% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hypothecation of the respective vehicle.

Kotak Mahindra Prime Limited - Vehicle Loan (secured)

The vehicle loan from Kotak Mahindra Prime Ltd - Agr.No.CF-10750240 outstanding as on 31st March 2017 is Rs. 1.38 lakhs (Previous year Rs.3.96 lakhs) carries interest @ 10.26% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hypothecation of the respective vehicle.

Kotak Mahindra Prime Limited - Vehicle Loan (secured)

The vehicle loan from Kotak Mahindra Prime Ltd - Agr.No.CF-10435107 outstanding as on 31st March, 2017 is Rs.9.79 Lakhs (Previous year Rs.13.48 lakhs) carries interest @ 10.10% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hypothecation of the respective vehicle.

BMW India Financial Services Limited - Vehicle Loan (secured)

The vehicle loan from BMW India Financial Services Limited outstanding as on 31st March, 2017 is Rs.22.06 lakhs (Previous year-36.60 Lakhs) It carries interest @ 09.50% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hypothecation of the respective vehicle.

Toyota Financial Services India Limited - Vehicle Loan (secured)

The vehicle loan from Toyota Financial Services India Limited outstanding as on Mar 31st, 2016 is Rs. 10.74 lakhs (Previous year-18.39 lakhs) It carries interest @ 09.60% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hypothecation of the respective vehicle.

ICICI Bank - Vehicle Loan (secured)

The vehicle loan from ICICI Bank outstanding as on March 31st, 2016 is Rs .7.38 lakhs (Previous year -Rs.10.73 Lakhs) It carries interest @ 09.52% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hypothecation of the respective vehicle.

Citi Bank : Rupee Term Loan (Unsecured)

Term loan of Rs.520.00 lakhs (Outstanding) as on 31st Mar,2017 Rs.520.00 lakhs (Previous year Nil) carries interest @ 5.98% pa. (Previous year interest -NA). The term loan is unsecured and is repayable to the extent of 50% at the end of 18 months from the date of drawn down and balance 50% at the end of 36 months from the date of drawn down.

Kotak Mahindra Bank- Term Loan (Unsecured)

Rupee term loan -Unsecured of Rs.900.00 lakhs A/c No.00210310005349 (outstanding) as on Mar 31st 2017-Rs.596.00 lakhs (Previous year Rs. 570 Lakhs) carries interest @ 9.50% pa.(Previous year interest 9.50%).Term loans have been drawn in multiple tranches and is repayable in 18 equal quarterly instalments commencing from six months from the date of first disbursement.

Yes Bank : Rupee Term Loan (Unsecured)

a)Term loan of Rs.1500 lakhs (Outstanding) as on 31st Mar,2017 Rs.375lakhs (Previous year Rs. Nil) carries interest @ 9.1% pa. (Previous year interest -NA). The term loan is unsecured and is repayable Post Moratorium in 16 structured quarterly instalments commencing from 1st January 2018. The first tranche of Rs.375 lakhs has been released till 31st March 2017.

b) Rupee Term loan of Rs.1500.00 lakhs A/c No. 0006813000000622 (Outstanding) as on 31st Mar,2016 Rs.Nil lakhs (Previous year Rs.1500.00) carries interest @ 10.75% pa. (Previous year interest -NA). The term loan is unsecured and is repayable in 6 equal quarterly instalments commencing from six months from the date of disbursement. They are secured by the personal guarantee of the Managing Director and two other whole time Directors of the company. The term loan has been fully repaid in FY:2015-16.

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

11 (b) Current borrowings

	Maturity Date	Terms of repayment	Coupon/interest rate	31 March 2017	31 March 2016	1 April 2015
Loan repayable on demand						
Unsecured						
Working Capital Loan from Banks - Cash Credit	Payable on demand	Payable on demand	HDFC Bank Base Rate +0.25%	-	69	1,420
Working Capital Loan from Banks - Over Draft	Payable on demand	Payable on demand	HDFC Bank Base Rate +0.25%	828		
Short Term						
From Banks - Citi	Payable on demand	Payable on demand	5.90% to 6.15%	3,000	-	-
From Banks - Kotak	Payable on demand	Payable on demand	9.50%	-	4,102	-
Total Current Borrowings				**3,828**	**4,171**	**1,420**
Less: Interest accrued				-	2	-
Current borrowings (as per balance sheet)				**3,828**	**4,169**	**1,420**

Maturity date, terms of repayment and interest rate on above loans

a) The Working capital facility (overdraft) availed during FY 2016-17 from HDFC Bank, is renewable annually is unsecured in nature. The company has availed Working capital facility aggregating to Rs.4400 lakhs with a sub limit of non fund limits of LC/BG of Rs.400 lakhs. The rate of interest on working capital facility from HDFC Bank is 0.25% above base rate. The outstanding liability of overdraft as on 31st March, 2017 is 828 Lakhs. (previous year Rs.69 lakhs)

b) The short term loan from Citi Bank (Rs. 3000 Lakhs) is unsecured. The rate of interest on the said loan is 5.90% to 6.15% pa.) (previous year-NA).

c) The short term loan from Kotak Mahindra Bank Limited for the FY 2015-16 was Rs. 4100 Lakhs and was unsecured in nature. The rate of interest on the said loan for previous year :9.50% pa.) The short tem loan has been repaid during FY 2016-17.

Secured borrowings and assets pledged as security

Indian Rupee Loan 1 is secured by first charge on property, plant and equipment of the Company.

Indian Rupee Loan 2 is secured by first charge on property, plant and equipment of the Company and personal guarantee of the Managing Director and three other whole-time Directors of the Group.

Vehicle loans from banks are secured by first charge on the respective vehicles.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 39.

Note 11 (c): Other financial liabilities

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Current Maturities of Long Term Borrowings (Refer note. 11 (a)	210	-	425	-	1,278	-
Interest accrued but not due -Refer note 11(a) and 11(b)	22	-	2	-	-	-
Employee related payables	706	-	389	-	339	-
Security deposits	936	-	743	-	623	-
Capital Creditors	1,612	-	876	-	75	-
Other payables	78	-	75	-	84	-
Total	**3,563**	**-**	**2,509**	**-**	**2,398**	**-**

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 12: Trade payables

	31 March 2017	31 March 2016	1 April 2015
Current			
Trade payables	3,572	2,797	4,903
Trade payables to related parties (note 33(i))	260	387	306
Total	**3,832**	**3,185**	**5,208**

Note 13: Employee benefit obligations

		31 March 2017		31 March 2016		1 April 2015	
		Current	Non-current	Current	Non-current	Current	Non-current
Provision for Leave Encashment		19	48	10	27	10	24
Provision for Gratuity		14	117	9	58	8	22
Provision for Compensated Absence		1	20	-	12	-	11
Total	-	**34**	**185**	**19**	**97**	**17**	**56**

(i) Leave obligations

The amount of the provision of Rs. 18.68 Lakhs (31 March 2016 Rs. 10 Lakhs, 1 April 2015 Rs. 10 Lakhs) towards earned leaves is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be take nor paid within the next 12 months.

	31 March 2017	31 March 2016	1 April 2015
Current leave obligations expected to be settled within the next 12 months	19	10	10

Balance sheet amounts- Leave obligations

The amounts recognised in the balance sheet and the movements in the obligation over the year are as follows:

Leave Encashment

	31 March 2016
1 April, 2015	**33**
Interest Cost	3
Current Service Cost	2
Total amount recognised in profit or loss	**4**
Remeasurements	
Experience (gains)/losses	(0)
Total amount recognised in other comprehensive income	**(0)**
31 March, 2016	**37**
31 March, 2016	**37**

	31 March 2017
1 April, 2016	**37**
Interest Cost	3
Current Service Cost	20
Total amount recognised in profit or loss	**23**
Remeasurements	
Experience (gains)/losses	7
Total amount recognised in other comprehensive income	7
31 March, 2017	**67**

Compensated absences

	31 March 2016
1 April, 2015	**11**
Interest Cost	1
Current Service Cost	0
Total amount recognised in profit or loss	**1**
Remeasurements	
Experience (gains)/losses	(0)

(All amounts in INR Lakhs, unless otherwise stated)

Total amount recognised in other comprehensive income	**(0)**

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

31 March, 2016	**12**
	31 March 2017
1 April, 2016	12
Interest Cost	1
Current Service Cost	3
Total amount recognised in profit or loss	**4**
Remeasurements	
Experience (gains)/losses	6
Total amount recognised in other comprehensive income	**6**
31 March, 2017	**21**

The net liability disclosed above relates to an unfunded plan.

(ii) Post-employment obligations
Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, managed by a trust set up by the Company. The group makes contributions to Life Insurance Corporation of India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Defined Contribution Plans

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 189.95 Lakhs (31 March, 2016-Rs. 115 Lakhs).

Group makes annual contribution to the super annuation fund for the whole time directors, managed by Life Insurance Corporation of India (LIC). Upon retirement/ resignation of the whole time director, LIC shall make the pension/commuted amount payment to the employee based on the employee corpus with LIC and the group shall not be liable for any kind or charge/interest to the employee. The expense recognised during the period towards super annuation fund is Rs. 0.87 Lakhs(31 March, 2016-Rs. 0.73 Lakhs).

Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

				31 March 2016		
				Present value of obligation	**Fair value of plan assets**	**Net amount**
1 April, 2015				**196**	**(167)**	**29**
Interest Cost				16	-	**16**
Current Service Cost				17	-	**17**
Interest expense/(income)				-	(13)	**(13)**
Total amount recognised in profit or loss				**33**	**(13)**	**20**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)				-	-	-
(Gain)/loss from change in demographic assumptions				-	-	-
(Gain)/loss from change in financial assumptions				-	-	-
Experience (gains)/losses				38	-	**38**
Total amount recognised in other comprehensive income	-	-	-	**38**	-	**38**
Employer contributions					(19)	**(19)**
Benefit payments				(16)	16	-
31 March, 2016	-	-	-	**252**	**(184)**	**68**

(All amounts in INR Lakhs, unless otherwise stated)

	31 March 2017		
	Present value of obligation	Fair value of plan assets	Net amount
1 April, 2016	**252**	**(184)**	**68**
Interest Cost	20	-	**20**
Current Service Cost	30	-	**30**
Interest expense/(income)	-	(15)	**(15)**
Total amount recognised in profit or loss	**51**	**(15)**	**35**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	92	-	**92**
Total amount recognised in other comprehensive income	**92**	**-**	**92**
Employer contributions		(65)	**(65)**
Benefit payments	(15)	15	-
31 March, 2017	**380**	**(249)**	**130**

(iii) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions for defined benefit obligation are as follows:

	31 March 2017	31 March 2016	1 April, 2015
Discount rate	8%	8%	8%
Salary escalation rate	5%	5%	5%
Employee attrition rate	5%	5%	5%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM 2006-08	IALM 2006-08	IALM 2006-08

(iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption			Decrease in assumption		
	31 March 2017	31 March 2016		31 March 2017	31 March 2016		31 March 2017	31 March 2016
Discount rate	1%	1%	Decrease by	40	29	Increase by	47	34
Salary escalation rate	1%	1%	Increase by	46	36	Decrease by	39	30
Employee attrition rate	1%	1%	Decrease by	40	29	Increase by	47	34

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) The major categories of plan assets are as follows

	31 March 2017	31 March 2016	1 April, 2015
Funds managed by Life Insurance Corporation of India under the "Group Gratuity Scheme"	249	184	167
Total	**249**	**184**	**167**

(vi) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatily: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The group's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plan assets.

The group ensures that the investment positions are managed within an asset-liability matching framework wherein the objective is to match assets to the defined benefit obligations by investing in insurer managed funds with maturities that match the benefit payments as they fall due.

(vii) Defined benefit liability and employer contributions
Expected contributions to post-employment benefit plans for the year ending 31 March 2017 are Rs. 380 lakhs

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March, 2017					
Gratuity	21	60	254	44	380
Total	**21**	**60**	**254**	**44**	**380**
31 March, 2016					
Gratuity	12	47	163	30	251
Total	**12**	**47**	**163**	**30**	**251**
1 April, 2015					
Gratuity	32	23	119	22	197
Total	**32**	**23**	**119**	**22**	**197**

Note 14: Deferred tax liabilities
The balance comprises temporary difference attributable to:

	31 March 2017	31 March 2016	1 April 2015
Property, plant and equipment	936	487	379
Set off of deferred tax asset			
Indexation benefit on freehold land	(262)	(242)	(212)
Employee benefit obligations	(111)	(65)	(41)
provision for Doubtful debts & advances	(40)	-	-
Provision for Expected Credit Loss	(16)	-	-
provision for Non-moving Stocks	(3)	-	-
Net deferred tax liabilities	**503**	**181**	**126**

Creamline Dairy Products Limited
Notes to standalone Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Expected credit Loss	Non-Moving Stocks	Indexation benefit on freehold land	Doubtful debts & Advances	Employee benefit obligations	Total
At 1 April, 2015	379	-	-	(212)	-	(41)	126
Charged/(credited)							
-to profit or loss	108	-	-	(30)	-	(11)	68
-to other comprehensive income	-	-	-	-	-	(13)	(13)
At 31 March 2016	**487**	**-**	**-**	**(242)**	**-**	**(65)**	**181**
At 1 April, 2016	487	-	-	(242)	-	(65)	181
Charged/(credited)							
-to profit or loss	448	(16)	(3)	(20)	(40)	(10)	358
-to other comprehensive income	-	-		-	-	(36)	(36)
At 31 March 2017	**936**	**(16)**	**(3)**	**(262)**	**(40)**	**(111)**	**503**

Note 15: Current tax liabilities

	31 March 2017	31 March 2016
Opening balance payable/(refund receivable)	285	(43)
Add: Current tax payable for the year	1,300	1,410
Less: Taxes paid	1,638	1,081
Closing balance payable/(refund receivable)	**(52)**	**285**

Note 16: Government grants

	31 March 2017	31 March 2016
Opening Balance	240	377
Less: Released to profit or loss	35	137
Closing Balance *	**205**	**240**

Refer Note 19 (b) (i) for the details of the grant.

	31 March 2017	31 March 2016	1 April 2015
Current portion	6	35	137
Non-current portion	198	205	240
Closing Balance	**205**	**240**	**377**

Note 17: Other current liabilities

	31 March 2017	31 March 2016	1 April 2015
Advances from customers	89	185	186
Statutory dues payable	198	105	61
Others	10	-	-
Total	**297**	**291**	**247**

Creamline Dairy Products Limited
Notes to standalone statement of profit and loss

(All amounts in INR Lakhs, unless otherwise stated)

Note 18: Revenue from operations

	31 March 2017	31 March 2016
Sale of products (including excise duty)	100,825	92,415
Other operating revenue		
Sale of Power	119	11
Conversion, Handling and Storage Charges	6	285
Scrap Sales	41	35
Total revenue	**100,992**	**92,746**

Note 19: Other income and other gains/ (losses)
(a) Other income

	31 March 2017	31 March 2016
Interest income		
Interest - Cattle Loan	17	16
Interest - Bank & Others	376	81
Dividend income from investments mandatorily measured at fair value through profit or loss	-	2
Government grants (Refer note (i) below)	35	137
Miscellaneous income	166	50
Total other income	**594**	**285**

(b) Other gains/(losses)

	31 March 2017	31 March 2016
Net gain on disposal of property, plant and equipment	-	4
Net gain on financial assets mandatorily measured at fair value through profit or loss	-	99
Net gain on sale of investments	266	-
Total	**266**	**103**

Note (i): Government grants relate to capital investments in property, plant and equipment for creation of cold chain projects. The Investment Subsidies (non-refundable) received from Government in lieu of promoters contribution are treated as " Government Grants". Subsidies received towards acquisition of assets are treated as Government grants and the amount in proportion to the depreciation is transferred to statement of Profit and Loss.
There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

Note 20 (a): Cost of materials consumed

	31 March 2017	31 March 2016
Raw material		
Inventory at the beginning of the year	2,250	3,237
Add: Purchases	79,341	68,594
Less: Raw material at the end of the year	3,393	2,250
Consumption of Raw Materials	**78,198**	**69,581**
Packing Material		
Inventory at the beginning of the year	335	366
Add: Purchases	3,552	2,956
Less: Packing material at the end of the year	504	335
Consumption of Packing Materials	**3,383**	**2,987**
Total cost of material consumed	**81,582**	**72,568**

Note 20 (b) Changes in inventories of work-in-progress, stock-in-trade and finished goods

Finished goods	31 March 2017	31 March 2016
Opening balance		
Work-in-process	214	347
Finished goods	3,880	5,397
Total opening balance	**4,094**	**5,745**
Closing balance		
Work-in-process	543	214
Finished goods	5,231	3,880
Total closing balance	**5,774**	**4,094**
Total changes in inventories of work-in-process and finished goods	**(1,681)**	**1,651**

Creamline Dairy Products Limited
Notes to standalone statement of profit and loss

(All amounts in INR Lakhs, unless otherwise stated)

Note 21: Employee benefit expense

	31 March 2017	31 March 2016
Salaries, wages and bonus	4,188	3,074
Contribution to provident and other funds	307	218
Gratuity and leave compensation	78	43
Staff Welfare Expenses	154	98
Total employee benefit expense	**4,726**	**3,433**

Note 22: Depreciation and amortisation expense

	31 March 2017	31 March 2016
Depreciation of property, plant and equipment	1,364	1,101
Amortisation of intangible assets	65	95
Total depreciation and amortisation expense	**1,429**	**1,196**

Note 23: Other expenses

	31 March 2017	31 March 2016
Consumption of Consumables, Stores & spares (Refer note 23(a) below)	513	571
Power and Fuel	1,822	1,693
Carriage Inwards	130	91
Laboratory Expenses	37	29
Repairs and Maintenance:		
-Plant and Machinery	296	185
-Buildings	65	38
-Others	22	52
Factory Maintenance	155	231
Other manufacturing expenses	1,917	1,690
Travelling and conveyance	398	358
Vehicle maintenance	124	63
Printing and Stationery	64	64
Communication, Postage and Telephones	113	95
Rent	50	36
Professional and consultancy charges	286	296
Insurance	53	44
Directors Sitting Fee	2	5
Rates and Taxes	167	94
Electricity Charges	77	41
Security Charges	221	204
Office Maintenance	22	26
Payment to auditors (Refer Note 23 (b))	22	21
Bad debts written off	102	3
Sundry balances written off	(2)	16
Bank charges	60	64
Service Tax	14	9
Annual maintenance expenses	55	39
Books & Periodicals	5	6
Computer Maintenance	6	6
Membership & Subscription	6	6
Staff Recruitment expenses	10	4
Vehicle Hire charges	17	13
Allowance for doubtful debts - Debtors & Milk advances	95	37
Net loss on scrapping of property, plant and equipment	59	-
Selling Expenses	113	74
Distribution expenses	2,925	2,659
Advertisement and Sales Promotion	814	441
Corporate Social Responsibility Expense (Refer Note 23 (C))	60	21
Other expenses	88	96
Total other expenses	**10,981**	**9,421**

Note 23(a): Consumption of Consumables, Stores & spares

	31 March 2017	31 March 2016
Opening Stock	194	197
Add: Purchases	635	568
Less: Closing Stock	316	194
Consumption of Consumables, Stores & spares	**513**	**571**

Note 23(b): Details of payments to auditors

	31 March 2017	31 March 2016
Payment to auditors		
As auditor:		
Audit fee	21	21
Tax audit fee	1	1
Total payments to auditors	**22**	**21**

Creamline Dairy Products Limited
Notes to standalone statement of profit and loss

(All amounts in INR Lakhs, unless otherwise stated)

Note 23 (c): Corporate social responsibility expenditure

	31 March 2017	31 March 2016
Contribution to NGO	42	5
Direct contribution	18	16
Total	60	21
Amount required to be spent as per section 135 of the Act	56	43
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	60	21

Note 24: Finance costs

	Notes	31 March 2017	31 March 2016
Interest - Term loans		72	119
Interest - Working capital loans		344	146
Interest - Vehicles loans		9	9
Interest - others		25	156
Other finance charges		44	-
Interest on late payment of tax deducted at source		-	-
Less: Amounts capitalised		-	-
Finance costs expensed in profit or loss		**493**	**431**

Note 25: Income tax expense

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Amounts recognised in profit and loss:

		31 March 2017	31 March 2016
Current income tax	**(A)**	1,300	1,410
Deferred income tax liability / (asset), net			
Origination and reversal of temporary differences		358	68
Reduction in tax rate		-	-
Recognition of previously unrecognised tax losses		-	-
Deferred tax expense	**(B)**	**358**	**68**
Tax expense for the year	**(A+B)**	**1,658**	**1,478**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	31 March 2017	31 March 2016
Profit from continuing operations before income tax expenses	4,263	4,388
Profit from discontinuing operations before income tax expenses	-	-
	4,263	4,388
Tax at the Indian tax rate of 34.608% (2015-16 -34.608%)	**1,476**	**1,519**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Indexation benefit on freehold land not recorded in accounting profit	(10)	(13)
Corporate social responsibility expenditure	21	7
Donation	0.32	0
Penalties & interests	0.08	1
Adjustment for current tax of earlier years	220	-
Land Registration charges on slump sale acquisition	28	-
Other Items	(76)	(35)
Tax losses for which no deferred income tax was recognised	-	-
Income tax expense	**1,658**	**1,478**

Note 26(a) Amounts recognised directly in equity

	31 March 2017	31 March 2016
Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/(credited) to equity	-	-

(b) Tax losses

	31 March 2017	31 March 2016
Unused tax losses for which no deferred tax asset has been recognised	-	-

(c) Unrecognised temporary differences

	31 March 2017	31 March 2016
Nil	-	-

Creamline Dairy Products Limited
Notes to the standalone financial statements

Background
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 of milk products. The Company is also engaged in generation of power through renewable energy sources.

Note 1: Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation
(i) Compliance with Ind AS
The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant
The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 48 for an explanation of how the transition from previous GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
-certain financial assets and liabilities; and
-defined benefit plans- plan assets measured at fair value

1.2 Changes in Accounting Policy
The Company has changed its inventory valuation method in respect of Raw Materials, Work in process and finished goods from FIFO basis to moving weighted average method. Management reiterates that this change will result in more appropriate valuation of inventory representative of the consumption and dispatch pattern of these goods. The management has assessed the impact of this change on the current year and each prior period presented to be immaterial and hence, no adjustment needs to be made to the financial statement line items of these periods.

1.3 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The Chief Executive Officer of the Company has been identified as the chief operating decision maker. Refer Note 30 for the segment information presented.

1.4 Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the Company are measured using the currency of its primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupees (INR), which is Creamline Dairy Products Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

1.5 Revenue recognition
a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
b) Revenue from operations includes revenue from sale of products, services, to all manufacturing and other operating revenue.
c) Revenue from sales of products: Revenue from sale of products is recognized when all the significant risks and rewards of ownership of products have been passed to the buyer, usually on delivery of the products. The revenue from sale of products is

Recognising revenue from major business activities
Sale of goods- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
(i) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
(ii) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(iii) the amount of revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Measurement of revenue: Certain products are sold with volume discounts and cash discounts. Revenue from sales is based on the price specified in the sales contracts, net of the estimated discounts at the time of sale. Accumulated experience is used to estimate and provide for the discounts. No element of financing is deemed present as the sales are made with a credit term on an average of 3 to 4 days, which is consistent with market practice.
(d) Sale of power- Revenue from the sale of power is recognised when a Company entity sells the power to the customer.
Measurement of revenue: Revenue from sale of power is based on the price specified in the sales contracts. No element of financing is deemed present as the sales are made with a credit term on an average of 30 to 90 days, which is consistent with market practice.

(e) Interest income: Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
(f) Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

1.6 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

1.7 Taxes on income:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals. 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

1.8 Leases

As a lessee
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

1.9 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.

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 a subsidiary 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.
The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

Creamline Dairy Products Limited
Notes to the standalone financial statements

1.10 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.11 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.

1.12 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. Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively.

1.13 Inventories

Raw materials and stores, work in progress and finished goods

Inventories are valued at lower of cost and net reliazable value. The cost of Finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Particulars	Valuation	Method
Raw Materials	Cost or net realizable value whichever is lower	Cost has been ascertained on Moving Weighted average
Finished Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on Moving Weighted average
Stores, Spares and Consumables	At cost	Cost has been ascertained on Moving Weighted average
Working in Progress	Cost or net realizable value whichever is lower	Cost has been ascertained on Moving Weighted average
Packing Material	At cost	Cost has been ascertained on Moving Weighted average

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the

The Company has changed its inventory valuation method in respect of Raw Materials, Work in process and finished goods from FIFO basis to moving weighted average method. Management reiterates that this change will result in more appropriate valuation of inventory representative of the consumption and dispatch pattern of these goods. The management has assessed the impact of this change on the current year and each prior period presented to be immaterial and hence, no adjustment needs to be made to the financial statement line items of these periods.

1.14 Investments and other financial assets

(i) Financial assets:

Initial recognition and measurement

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Since the outstanding amounts as at reporting date is significantly low the affect of amortisation under the effective interest rate method is considered to be immaterial.

-Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

-Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit and loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) 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. Note 28 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.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from financial instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Since the outstanding amounts as at reporting date is significantly low the affect of amortisation under the effective interest rate method is considered to be immaterial.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designeated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in the Ind As 109 are satisfied.

Derecognition

A financial liability is dereocgnised when the obligation under the liability is discharged or cancelled or expires.

1.15 Offsetting financial instruments

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

1.16 Property, plant and equipment

Property, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebate), borrowing cost if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on tangible fixed assets is provided under the Straight-Line Method, at the rates and in the manner as prescribed under Schedule II of the Companies Act, 2013:

Freehold buildings (Factory buildings 30 Years, Others 60 Years)
Plant & machinery - 8 Years
Furniture, fittings and equipment - 10 years
Electrical Installations - 10 years
Vehicles - 8 to 10 years
Office equipment and computers - 3 to 5 years
Wind Mills & Solar Equipment - 22 years

Except in respect of the following assets where useful life is different from than those described in Schedule II
a) Crates, cans and milko testers have been depreciated @ 25% based on its estimated useful life of four years.
b) Crates, Cans and milko testers on replacement are charged to revenue.

1.17 Intangible assets

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

(i) Goodwill

Goodwill on acquisitions of subsidiary is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(iii) Amortisation methods and periods

Intangible assets are amortized over their respective individual estimated useful lives not exceeding four years on a straight line basis, in the manner as prescribed in the Schedule II of the Companies Act, 2013.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.18 Capital work in progress

Capital work-in-progress is recognized at cost. It comprises of fixed assets that are not yet ready for their intended use at the reporting date and capital stores issued. Gain or loss arising from de-recognition of fixed assets (tangible and intangible) are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is de-recognized.

1.19 Trade and other payables
These amounts represent liabilities for goods and services provided to the Company. The amounts are unsecured and are usually paid as per mutual terms of arrangement from the date of supply. Trade and other payables are presented as current liabilities unless payment is not due within 12months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.20 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. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Since the outstanding amounts as at reporting date is low, the affect of amortisation under the effective interest rate method is considered to be immaterial.

1.21 Borrowing Cost
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

1.22 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.

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.

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.

1.23 Employee benefits
(i) Short-term obligations
All short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which shall fall due within twelve months of the period in which the employee renders the related services, which entitles him to avail such benefits are recognized on an un-discounted basis and charged to the statement of profit and loss.

(ii) Post- employment obligations
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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss.

The Company operates the following post-employment schemes:
(a) defined benefit plans such as gratuity and
(b) defined contribution plans such as provident fund.

Defined Benefit plan(Gratuity): 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 debited to Other Comprehensive Income (OCI).
The present value of the defined benefit obligation denominated in INR 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 benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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.

Leave Encashment and Compensated leave absent: Accrued liability for leave encashment and Compensated leave absent is determined on actuarial valuation basis using PUC Method.

Defined contribution plan: Retirement benefit in the form of Provident fund is a defined contribution scheme. The contributions to the Provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contribution are due. The Company has no obligation, other than the contribution payable to the provident fund.

Superannuation Fund
Year-end liability for superannuation benefits to the whole time directors are provided and funded through approved funds.

(iii) Bonus plans
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.24 Contributed Equity
Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.25 Earnings per share
(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Creamline Dairy Products Limited
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1.26 Exceptional Items:
Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

1.27 Current and non-current classification:
The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset as current when it is:
Expected to be realised or intended to sold or consumed in normal operating cycle,
Held primarily for the purpose of trading,
Expected to be realised within twelve months after the reporting period,
or
Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
A liability is current when:
It is expected to be settled in normal operating cycle,
it is held primarily for the purpose of trading,
it is due to be settled within twelve months after the reporting period,
or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

1.28 Fair value measurement:
The Company measures financial instruments such as certain investments, at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability , or
(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

1.29 Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgments
Critical estimates and judgments
The areas involving critical estimates or judgments are:

-Estimation of defined benefit obligation - Note 13
Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Creamline Dairy Products Limited
Notes to the standalone financial statements
Financial instruments and risk management
Note 27: Fair value measurements

(All amounts in INR Lakhs, unless otherwise stated)

	31 March 2017			31 March 2016			1 April 2015		
Financial instruments by category	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial Assets									
Investments									
-Government securities	-	-	0.17	-	-	0.17		-	0.17
-Mutual Funds	-	-	-	5,199	-	-	-	-	-
-Others			563			563			563
Trade receivables	-	-	470	-	-	574	-	-	350
Loans	-	-	-	-	-	3,047	-	-	-
Cash and cash equivalents	-	-	1,354	-	-	952	-	-	595
Fixed deposits with maturity of more than 12 months and interest receivable	-	-	12			29	-	-	50
Security deposits	-	-	351	-	-	269	-	-	242
Other Advances	-	-	128	-	-	77			131
Total Financial Assets	**-**	**-**	**2,879**	**5,199**	**-**	**5,512**	**-**	**-**	**1,931**
Financial Liabilities									
Borrowings (long term and short term)	-	-	5,405	-	-	5,167	-	-	4,054
Security deposits	-	-	936	-	-	743	-	-	623
Trade payables	-	-	3,832	-	-	3,185		-	5,208
Capital creditors	-	-	1,612	-	-	876	-	-	75
Employee related payables			706			389			339
Other payables			78			75			84
Total Financial Liabilities	**-**	**-**	**12,568**	**-**	**-**	**10,434**	**-**	**-**	**10,383**

(i) Fair value hierarchy
This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value-recurring fair value measurements At March 31, 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Financial investments at FVPL					
Mutual funds- Growth plan, Liquid Plus	5 (a)(i)	5,199	-	-	5,199
Total Financial Assets		5,199	- -	-	5,199

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets, such as security deposits and advances, are considered to be same as their fair values. For the non-current borrowings, the carrying value is the same as the fair value at amortised cost.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The Company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determined fair value
Specific valuation techniques used to value financial instruments include the use of quoted market prices of the financial instruments for level 1.

(iii) Valuation process
The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level3 fair values. This finance team evaluates & carries out discussions of valuation process and results are held within the valuation team at least once in three months, which is inline with Company's quarterly reporting periods.

Note 28 Financial Risk Management
The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financials assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits, mutual funds (Liquid, Liquid plus funds) credit limits and security deposits from customers.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts & daily cash flow requirements/revolving cash flow forecasts are on periodical basis	Working capital management through CMS. Lines of credit from multiple banks are in place to handle the working capital cycle apart from need based sourcing of short term loans from banks. The excess liquidity is channalised through liquid fund in large mutual funds/FDR's in banks.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	The Company has obtained low cost credit lines from various banks without any prepayment penalty clauses. The present arrangements give the Company options to swap the said arrangement with the multiple banking arrangement on a cost effective basis in view of its strong credit rating.

The Company risk management is carried out by a central treasury department under policies approved by the board of directors. Company treasury identifies and hedge financial risk in close cooperation with Company's operating units. The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

Credit Risk

Credit risk arises from cash and cash equivalents, investments are carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management
Credit risk is managed on a group basis. For banks and financial institutions, only high rated banks/institutions are accepted.
For other financial assets, the Company assesses and manages credit risk based on internal credit rating system
The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal Credit Rating
- External Credit Rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of the the borrower in the group and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

(ii) Provision for expected credit losses
The Company provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
Quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses

(All amounts in INR Lakhs, unless otherwise stated)

Low quality assets, high risk	Assets where there is a high probability of default. In general, assets where contractual payments are more than 90 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter party has increased significantly though payments may not be more than 90 days past due	Life time expected credit losses	Life time expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in are payment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due or in case of specific cases of impairment. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss	Asset is Provided initially, written off subsequently		

Year Ended March 31, 2017
Expected credit losses for loans, investments, deposits and other financial assets, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Investment at cost	563	0%	-	563
	Loans	-	0%	-	-
	Security Deposits and other financial assets	479	0%	-	479
Loss allowance measured at life-time expected credit losses - Financial assets for which credit risk has increased significantly and credit impaired	Other financial assets	37	0%	37	-

Year Ended March 31, 2016
Expected credit losses for loans, investments, deposits and other financial assets, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Investment at cost	563	0%	-	563
	Loans	3,047	0%	-	3,047
	Security Deposits and other financial assets	346	0%	-	346
Loss allowance measured at life-time expected credit losses - Financial assets for which credit risk has increased significantly and credit impaired	Other advances	39	0%	39	-

As at April 1, 2015

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(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Provision for impairment	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Investment at cost	563	0%	-	-	563
	Loans	-	0%	-	-	-
	Security deposits and other advances	374	0%	-		374
Loss allowance measured at life-time expected credit losses - Financial assets for which credit risk has increased significantly and credit impaired	Other advances	26	0%	-	26	-

Expected credit loss for trade receivables and other financial assets under simplified approach

Reconciliation of loss allowance	Financial assets for which credit risk has increased significantly and credit-impaired	Provision for impairment for trade receivables
Loss allowance as at April 1, 2015	26	-
Change in loss allowance	13	-
Loss allowance as at March 31, 2016	39	-
Change in loss allowance	(2)	47
Loss allowance as at March 31, 2017	37	47

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount		
	March 31, 2017	March 31, 2016	1 April 2015
Non-current Financial Assets			
Non-current investments	563	563	563
Other Financial Assets	265	219	285
Financial Assets			
(i) Investments	-	5,199	-
(ii) Trade receivables	470	574	350
(iii) Cash and cash equivalents	1,354	952	595
(iv) Loans	-	3,047	-
(v) Other financial assets	226	156	138
Total of trade receivables as bifurcated below:			
Domestic (Net of ECL)			
(a) Institution & Modern Trade	353	230	154
(b) Distributor/Agents	42	79	111
(c)Retail	23	251	63
(d) Government /Institution - Renewable Energy	53	14	22

Impairment

The ageing of trade receivables that were not impaired was as follows.

	March 31, 2017	March 31, 2016	1 April 2015
Neither past due nor impaired			
Past due 1–30 days	338	478	220
Past due 31–90 days	120	47	57
Past due 91–180 days	6	14	39
> 180 days	8	36	34

Liquidity Risk

Creamline Dairy Products Limited
Notes to the standalone financial statements
Financial instruments and risk management (All amounts in INR Lakhs, unless otherwise stated)

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.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements
The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March, 201	31 March, 2016	1 April, 2015
Floating rate			
- Expiring within one year (Cash credit / overdraft and other facilities)	3,172	2,931	1,580
- Expiring within one year (Short Term loan and other facilities)	1,000	-	2,500
- Expiring beyond one year (bank loans)	-	-	-
Fixed rate			
- Expiring within one year (Term Loans) and other facilities)	1,125	100	-
- Expiring beyond one year (bank loans)	-	230	-

The Company is enjoying the non fund facility of Rs. 400 lakhs out of which it has availed Rs. 370 lakhs as at 31st March 2017

The bank overdraft facilities may be drawn at any time, subject to the continuance of satisfactory credit ratings.

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 include estimated interest payments and exclude the impact of netting agreements.

(ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows					
31 March, 2017	**Carrying amount**	**Total**	**0-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	1,555	1,555	99	111	491	854	-
Short term loan from bank	3,828	3,828	-	3,828	-	-	-
Trade and other payables	3,832	3,832	3,832	-	-	-	-
Security deposit received	936	936	936	-	-	-	-
Capital creditors	1,612	1,612	1,612	-	-	-	-
Employee related payables	706	706	585	120	-	-	-
Other payables	78	78	78	-	-	-	-
	12,546	**12,546**	**7,141**	**4,059**	**491**	**854**	**-**

Creamline Dairy Products Limited
Notes to the standalone financial statements
Financial instruments and risk management

(All amounts in INR Lakhs, unless otherwise stated)

		Contractual cash flows					
31 March 2016	**Carrying amount**	**Total**	**0-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	998	998	405	86	173	334	-
Short term loan from bank	4,169	4,169	-	4,169			
Trade and other payables	3,185	3,185	3,185	-	-	-	-
Security deposit received	743	743	743	-	-	-	-
Capital creditors	876	876	876	-	-	-	-
Employee related payables	389	389	317	72	-	-	-
Other payables	75	75	75	-	-	-	-
	10,434	**10,434**	**5,600**	**4,328**	**173**	**334**	**-**

		Contractual cash flows					
1 April 2015	**Carrying amount**	**Total**	**0-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	2,635	2,635	328	826	1,456	24	-
Short term loan from bank	1,420	1,420	1,420	-			
Trade and other payables	5,208	5,208	5,208	-	-	-	-
Security deposit received	623	623	623	-	-	-	-
Capital creditors	75	75	75	-	-	-	-
Employee related payables	339	339	283	56	-	-	-
Other payables	84	84	84	-	-	-	-
	10,383	**10,383**	**8,020**	**882**	**1,456**	**24**	**-**

Market Risk - Interest Risk

The Company's main interest rate risk arises from long term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Company enjoys cash credit facility from HDFC bank with sanctioned limits of Rs. 4000 Lakhs with interest of 9% which is used frequently. The outstanding amount as of 31 March 2017 is Rs. 828 Lakhs.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2017	**31 March 2016**	**1 April 2015**
Variable rate borrowings	3,828	387	2,492
Fixed rate borrowings	1,555	4,781	1,562
Total borrowings	**5,383**	**5,167**	**4,054**

At the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	31 March 2017			31 March 2016			1 April 2015		
	Weighted Average Interest rate %	**Balance**	**% of total loans**	**Weighted Average Interest rate %**	**Balance**	**% of total loans**	**Weighted Average Interest rate %**	**Balance**	**% of total loans**
Financial Liabilities									
Term Loans		-		10.85	318	82%	10.85	1,073	43%
Short Term borrowings	6.03%	3,000	78%	-	-	0%		-	
Working Capital Loans	9.00%	828	22%	9.15	69	18%	9.5	1,420	57%
Vehicle Loans				-	-	0%		-	0%
		3,828	**100%**		**387**	**100%**		**2,492**	**100%**

In the event of 1% increase in the interest rates of the working capital facility, the impact for FY 2016-17 would have been Rs. 38 Lakhs

An analysis by maturities is provided above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Sensitivity

The profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax		Impact on other components of Equity	
	31 March 2017	**31 March 2016**	**31 March 2017**	**31 March 2016**
Interest rate - Increases by 100 basis points	38.28	3.87	-	-
Interest rate - Decreases by 100 basis points	38.28	3.87	-	-

 (All amounts in INR Lakhs, unless otherwise stated)

Market Risk - Foreign Currency Risk
The Company has no major exposure to foreign exchange in its business presently. All its business transactions are in Indian Rupees.

Note 29 Capital management
(a) Risk Management
The Company's objectives when managing capital are to
a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
b) maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following debt equity ratio:
Net debt
divided by
Total equity (as shown in the balance sheet)
The Company monitors capital using Debt equity ratio, which is total debt divided by total equity.

	31 March 2017	31 March 2016	31 March 2015
Total Debt (Including current maturities of long term debt)	1,577	998	2,635
Equity	19,341	16,631	9,261
Debt Equity Ratio	0.08:1	0.06:1	0.28:1

(i) Loan covenants for Term loans
Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

ICICI TERM LOAN - 3000 Lakhs (Secured)
Total debt/adjusted tangible net worth shall not exceed 1.5 in fy 2011-12 , 1.2 in fy 2012-13 and < 1.2 from 2013-14 onwards
Total debts/net current assets shall not exceed 5 in fy 2012, 4 in 2012-13 and 2.8 from 2013-14 onwards
Dscr to be maintained at 1.2

ICICI TERM LOAN - Rs.1200 Lakhs (Secured)
Total debt/adjusted tangible net worth shall not exceed 2 during the tenure of the loan

KOTAK BANK TERM LOAN -Rs.900 Lakhs (Unsecured)

Cost overruns shall be borne by the borrower.
Net debt to ebidta not to exceed 2.5x during the tenor of the term loan facility.
Godrej group to continue with minimum shareholding of 51% in the company

KOTAK BANK SHORT TERM LOAN -Rs.4100 Lakhs (Unsecured)
The borrower to get the bank's facility rated from an approved credit rating agency.
The borrower to ensure the any new lenders or currently unsecured lenders shall not get security without prior noc from the bank.
Godrej group to continue with minimum shareholding of 51% in the company
The loan has been fully repaid in October 2016.

YES BANK TERM LOAN - Rs.1500 Lakhs (Unsecured)
Borrower to undertake to maintain total debt/adjusted tnw <=0.50 x and dscr >1.5 x during the currency of facility.

CITI BANK TERM LOAN - Rs 520 Lakhs
DSCR>=1.25
Consolidated total debt to EBITDA <= 2.75

CITI BANK SHORT TERM LOAN - Rs 3000 Lakhs (Unsecured)

(b) Dividend

	31 March 2017	31 March 2016
(i) Equity Shares		
Final dividend for the year ended (31 March 2016 of Rs.2) per fully paid share	-	206
Interim dividend for the year ended (31 March 2016 - Rs. 3) per fully paid share	-	308

Note 30: Segment Information

(a) Description of segments and principal activities

The Company's strategic steering committee, consisting of the Chief executive officer, the Chief financial officer and the manager for corporate planning, examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

(b) Adjusted EBITDA

	31 March 2017	31 March 2016
i) Milk and Milk Products	6,077	6,037
ii) Power (net)	109	(22)
Total	**6,186**	**6,015**

(c) Adjusted EBITDA reconciles to profit before tax as follows:

	31 March 2017	31 March 2016
Total adjusted EBITDA	6,186	6,015
Finance costs	493	431
Depreciation	1,429	1,196
Profit before tax	**4,263**	**4,388**

d) Segment revenue

	31 March 2017	31 March 2016
i) Milk and Milk Products	100,873	92,735
ii) Power (net)	119	11
Total	**100,992**	**92,746**

e) Segment assets

	31 March 2017	31 March 2016
i) Milk and Milk Products	30,925	26,470
ii) Power	2,156	1,708
Total	**33,081**	**28,178**

f) Segment liabilities

	31 March 2017	31 March 2016
i) Milk and Milk Products	11,912	10,510
ii) Power	1,377	571
Unallocated liabilities:		
Deferred tax liability	503	181
Current Tax liability/(Asset)	(52)	285
Total	**13,740**	**11,547**

Note 31: Business Combinations

Name & Description of Acquiree	Nutramaax Food Specialties Private Limited, located in RR District,Telangana	RBS Dairy Farm, Nellai District, Tamilnadu
Nature of business	Processor of milk and milk products	Processor of milk and milk products
Date of Control	1st July 2016	1st February 2017
Type of Acquisition	Slump Sale of Assets	Slump Sale of Assets
Primary reasons for business combination	The processing facilities and chilling centers from RR district, Telangana is predominantly for setup of state of art facilities for manufacture of long shelf life of products including UHT and short shelf life products through cold chain infrastructure.	As regards the acquisition of facility in VK pudur we had considered the catchment area of southern Tamilnadu & Kerala which is being presently operated upon. We have also considered this acquisition due to the available processing infrastructure at strategic locations, running operations, profitability and opportunities to expand the market in the present area of operations & contiguous areas.

(a) Summary of acquisition

Details of the purchase consideration, the net assets acquired and goodwill/(Capital Reserve) are as follows:

Purchase Consideration	Location - Telangana, RR District	Location - Nellai District, Tamilnadu
Purchase consideration	**3,000**	**3,295**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Telangana, RR District	Nellai District, Tamilnadu
	Fair value	**Fair value**
Land & Building	1,738	2,382
Plant and Machinery	1,099	509
Other Assets	157	91
Vehicles	42	448
Security deposits	3	-
Net identifiable assets acquired	**3,038**	**3,430**

Calculation of Capital Reserve	Telangana, RR District	Nellai District, Tamilnadu
Consideration transferred	3,000	3,295
Less: Net identifiable assets acquired	(3,038)	(3,430)
Goodwill/(Capital Reserve)	**(38)**	**(135)**

Acquisition related cost of Rs.81.64 Lakhs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

Note 31(A): Leases taken by the Company

Leases taken by the Company	31 March 2017	31 March 2016
Operating Lease: The Company's leasing arrangements are in respect of operating leases for premises occupied by the Company. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. (Considered under Rentals Rs. 50 lakhs & other manufacturing expenses of Rs.107 lakhs for FY 16-17) (PY Rs.36 Lakhs & Rs. 107 Lakhs respectively)	157	143
The total of future minimum lease payments under non cancellable operating leases for each of the following periods :		
Within one year	N.A	N.A.
Later than one year and not later than five years	N.A	N.A.
Later than five years	N.A	N.A.
Lease payments recognised in the Standalone Statement of Profit & Loss for the year :	**157**	**143**

Note 32: Interest in other entities

a) Subsidiaries

The Company's subsidiary as at March 31, 2017 is set out below. Unless otherwise stated, the subsidiary has share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation is also the place of business.

Name of the Entity	Country of incorporation	Ownership Interest held by the Company 31 March 2017	31 March 2016	1 April, 2015	Principal Activities
		%	%	%	
Nagavalli Milkline Private Limited	India	100	100	100	Investments

Note 32 (i): Related Party transactions

(a) Parent entities

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership Interest 31 March 2017	31 March 2016	31 March 2015
Godrej Agrovet Limited with effect from 21 December, 2015	Immediate parent entity	India	51.91%	51.91%	26%

(b) Subsidiary

Interest in subsidiary are set out in Note 31

(c) Related Party Transactions

List of related parties and description of relationship
(As identified by Management)

Whole time Directors

Mr. K. Bhasker Reddy	Managing Director – Managerial Services
Mr. M. Gangadhar	Executive Director – Managerial Services
Mr. D. Chandra Shekher Reddy	Executive Director – Managerial Services
Mr. C. BalrajGoud	Executive Director – Managerial Services

Key Management Personnel

Mr. Raj Kanwar Singh	Chief Executive Officer
Mr. P. Gopala Krishnan	Chief Executive Officer (Retired from service w.e.f 01.01.17)
Mr. Kapil Sood	Chief Financial Officer
Mr. S.Raghava Reddy	Company Secretary

(d) Relatives of Key management personnel

K.Sandhya	Wife of Mr. K.Bhasker Reddy
M. Krishna Chaitanya	Son of Mr. M.Gangadhar
M.Rama Kumari	Wife of Mr. M.Gangadhar
D.Deepika	Wife of Mr. D. Chandra Shekher Reddy
C.Manga Raj	Wife of Mr. C.Balraj Goud

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

Khammam Milkline Private Limited
Dhulipalla Milkline Private Limited
Mohan Milkline Private Limited
Vidya Milkline Private Limited
Ongole Milkline Private Limited
Pamuru Milkline Private Limited
Kavali Milkline
Pragathi Milkline
Orga Farms Private Limited
Nutramaax food specialties Private Limited
Asha Holdings Private Limited
PVR & PSR Enterprises
My Village foundation

(f) Other group entities

Godrej Agrovet Limited
Godrej & Boyce manufacturing Company
Astec Life Sciences Limited
Natures Basket Limited

(g) Whole Time Directors

Key Management Personnel	31 March 2017	31 March 2016
Remuneration including Contribution P.F and Perks	353	281
Dividend	-	143
Balance outstanding - payable	72	6

(h) Transaction with related parties

The following transactions occurred with related parties:

	31 March 2017	31 March 2016
Sale and purchase of goods and services		
Purchase of goods from holding entity	481	140
Purchase of goods from entities under common control by management of holding Company	25	-
Purchases of goods from entities controlled by key management personnel	17,838	13,953
Sale of goods & services to entities controlled by key management	7	-
Acquisition of assets under slump sale		
Assets acquired	3,038	-
Acquisition of assets	300	-
Other transactions		
Inventory & others	12	-
Corporate Social Responsibility	5	-
Dividend paid to Whole time directors	-	143
Dividend paid to holding entity	-	80
Remuneration paid to relatives of key management personnel		
K.Sandhya	29	22
M. Krishna Chaitanya	19	22
D.Deepika	29	22
C.Manga Raj	29	22
M.Rama Kumari	10	-
Rent paid to relatives of key management personnel		
K.Sandhya	17	11
M.Rama Kumari	16	11
D.Deepika	16	11
C.Manga Raj	16	11

(i) Outstanding balances

	31 March 2017	31 March 2016
Payable to holding entity	11	10
Payable to entities controlled by key management personnel	246	387
Payable to relatives of key management personnel	14	7
Total payables to related parties	**271**	**405**

(j) Loan to/from related parties

	31 March 2017	31 March 2016
Loan given to Astec Life Sciences Limited	-	3,000
Loan given to Natures Basket Limited	5,000	-
Loans to entities controlled by key management personnel	-	27
Interest accrued on loans	-	47
Total	**5,000**	**3,075**

(k) Transaction with Other Key Management Personnel

Other Key Management Personnel	31 March 2017	31 March 2016
Remuneration including Contribution P.F and Perks	144	104
Balance outstanding - payable	9	4

Note 33: Contingent Liabilities and Contingent Assets

Contingent liabilities to the extent not provided for

The Company does not recognise a contingent liability but disclose its existence in the financial statements

	31 March 2017	31 March 2016
Claims against the Company not Acknowledged as debts	81.84	91.39

The management of the Company confirms that there are no pending litigations against the Company as on the financial year ended 31st March 2017 except as given below:

a) Suit was filed by Model Financial Corporation Ltd (O.S. No.479/98) for recovery of dues from Ushodaya Agro Products Ltd and Creamline Dairy Products Ltd (CDPL) as borrowers and as alleged guarantor respectively. However, in case of OS No: 479/98, the company has deposited the title deeds of land along with the buildings therein and equipment's pertaining to milk chilling center located at Kothapallimitta village Chittor Dist. as security, pending final orders. CDPL has deposited Rs.47.00 lakhs as per the orders of Honorable City Civil Court, Hyderabad passed in C.M.P No.2777 of 2007 in C.M.P No.282 of 2006 in C.C.C.A no.94 of 2006 dt.14.6.2007.
The Company is also liable to pay Interest at the rate of 6% p.a. on the balance due amount of Rs. 47 Lakhs which is coming to Rs. 31.84 lakhs. The aggregate contingent liability would be Rs. 78.84 Lakhs

b) The Company has cancelled the Milk distributorship for Hanamkonda (Warangal) due to large overdue outstanding to the extent of Rs.6.07 lakhs. Consequent to the cancellation of

distributionship, the distributor filed case against the company demanding Rs.10 lakhs Subsequently the company filed a counter claim and the matter is pending for listing in the Court.

c)The complainant has been filed regarding the quality of products in Consumer Court towards grievance and expenses incurred by the applicant seeking damage of Rs. 2 lakhs.
The complainant has not appeared before the forum during the last four hearings and the Company has requested the President of the Consumer Forum to dismiss the case.

d) A Complaint has been filed under FSSAI for quality of curd in Guntur on the Company and penalty of Rs 3 lakhs has been levied The Company has preferred an appeal in the Guntur sessions Court against the referred order.

Pending final judgment/stay order granted in respect of the judgment of the above cases, no provision has been made in the books of accounts in respect of all cases referred above.

Note 34: Commitments

	31 March 2017	31 March 2016
i) Estimated amount of contracts (Net of advances) remaining to be executed on capital account	2,762	241
ii) Outstanding Export obligation Under EPCG Scheme	423	387

iii) Other Commitments

The Company has imported certain capital items at concessional rates of customs duty under the Export Promotion Capital Goods Scheme (EPCG). As at the Balance Sheet date 31st March, 2017, the total Export Obligations under the EPCG Scheme is Rs.423.27 Lakhs (March 31, 2016: Rs.386.53 Lakhs) which is to be fulfilled over a period of eight years from the date of the licenses. The Company is yet to fulfill its Export Obligations and has an outstanding Export Obligation of Rs.423.27 Lakhs to be fulfilled. The import of capital equipment have been carried out against
License No.0930004831/22.04.09,with Customs duty saved Rs..20.32 lakhs,
License No.0930005915/03.06.10,with Customs duty saved Rs.13.21 lakhs
License No.0930006921/18.03.11 with Customs duty saved Rs.6.18 lakhs
License No.0930011992/04.04.16 with Customs duty saved Rs.8.14 lakhs

a) The Company had preferred an Appeal against the dis-allowance of deduction U/s 80-I of the Income Tax Act, 1961, the details of which are given below. The Appellate Tribunal Hyderabad has passed an order to, partly allow deduction under section 80-I of the Income Tax Act, in respect of Milk products manufactured. The Assessing Officer order for part refund of Income tax paid is still pending.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 1995-96	0.71	Commissioner of Income tax Appellate Tribunal
2	A.Y 1996-97	2.97	Commissioner of Income tax Appellate Tribunal
3	A.Y 1997-98	7.09	Commissioner of Income tax Appellate Tribunal
4	A.Y 1998-99	9.69	Commissioner of Income tax Appellate Tribunal
5	A.Y 1999-00	29.95	Commissioner of Income tax Appellate Tribunal
6	A.Y 2000-01	0.89	Commissioner of Income tax Appellate Tribunal

b)The Company has preferred an appeal against the disallowance of deduction U/s 32(1)(iia) of the Income Tax Act, 1961, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 2005-06	38.21	Company has preferred an appeal before Hon,ble High Court, Andhra Pradesh

Note: Against the aforesaid demand, the Company has deposited / adjusted payment aggregating to Rs.33.72 lakhs.

c**)** The Company has preferred an appeal against the dis-allowance of deduction U/s36(1)(iva) of the Income Tax Act, 1961 and other expenditure, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 2008-09	12.75	Consequential order is pending

Note: Against the aforesaid demand, the Company has deposited the entire demand of tax.

d) The Company has preferred an appeal against the dis-allowance u/s 14A & u/s.36 of the Income Tax Act, 1961 , the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 2014-15	10.75	Appeal pending before CIT(A)

Note: Against the aforesaid demand, the refund has adjusted (Tax Deposited)

e) The Company has preferred an appeal against levy of Sales Tax on sale of cream, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	F.Y 2004-05	17.56	Before the Andhra Pradesh Sales Tax Appellate Tribunal

Note: Against the aforesaid demand, the Company has deposited the entire demand of tax.

f) The Company has preferred an appeal against levy of Sales Tax on sale of Flavored milk, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	F.Y 2005-06	8.66	Before the Andhra Pradesh High Court

Note: Against the aforesaid demand, the Company has deposited the entire demand of tax.

g) The company has received assessment orders for the F.Y.2010-11 in respect of assessment of Value Added Tax from the Assistant Commissioner (CT) . for Rs.1.08 lakhs. This pertains to disallowance of VAT input credit claimed. The company has gone on appeal and the same was remanded to assessing officer. The revision order from the assessing officer is awaited.

Year	Demand	Payment against Order	Disputed Tax
2010-11	1.08	1.08	1.08

h)The Company has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavored milk. The details of which are given below.

Year	Demand	Payment against Order	Disputed Tax
01.04.2014 to 30.06.2016	206.05	Nil	206.05

The Honorable High Court of Telangana had passed a favorable order allowing the writ petition filed by the Company. The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavored milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed.

Note 35: Events occurring after the reporting period

The Board has declared the final dividend of Rs. 3/- per share for the face value of Rs. 10/- each for the financial year 2016-17 which would result in dividend outflow of Rs. 339.74 Lakhs and dividend tax of Rs. 69.16 lakhs.

Note 36: Income Taxes - Current/Non Current classification
The Company has recognised the classification of income tax under non current/current based on paragraph 8.1.18 of Exposure draft of Guidance note on Division II of IndAS Schedule III to the Companies Act 2013.

Note 37: Earnings per share

	31 March 2017	31 March 2016
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	23.00	27.54
From discontinued operation	-	-
Total basic earnings per share attributable to the equity holders of the company	**23.00**	**27.54**
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	23.00	27.54
From discontinued operation		-
Total diluted earnings per share attributable to the equity holders of the company	**23.00**	**27.54**
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	2,605	2,910
From discontinued operation	-	-
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	**2,605**	**2,910**
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share:		
Used in calculating basic earnings per share	2,605	2,910
Adjustments, if any	-	-
Used in calculating diluted earnings per share	**2,605**	**2,910**
Profit from discontinued operation	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**2,605**	**2,910**

(d) Weighted average number of shares used as the denominator	**No. of shares**	**No. of shares**
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	11,324,700	10,568,905
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	**11,324,700**	**10,568,905**

Note 38: Offsetting financial assets and financial liabilities

The following table represents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2017, 31 March 2016 and 1 April 2015. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights were exercised.

	Effects of offsetting on balance sheet				Related amounts not offset	
	Gross amounts	Gross amounts set off in balance sheet date	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2017						
Financial assets						
Trade receivables	472	1	470			470
Total	**472**	**1**	**470**	**-**	**-**	**470**
31 March 2016						
Financial assets						
Trade receivables	575	1	574			574
Total	**575**	**1**	**574**	**-**	**-**	**574**
1 April 2015						
Financial assets						
Trade receivables	359	9	350			350
Total	**359**	**9**	**350**	**-**	**-**	**350**

Note: 39 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	March 31, 2017	March 31, 2016	1 April, 2015
Current				
Financial Assets				
First charge				
Trade receivables	5(b)	-	574	350
Non-Financial Assets				
First charge				
Inventories	9	-	6,873	9,545
Total current assets pledged as security		**-**	**7,447**	**9,895**
Non-Current				
First charge				
Property, plant and equipment (including vehicles & CWIP)	3	208	9,930	8,439
Total non-current assets pledged as security		**208**	**9,930**	**8,439**

Note 40: Consumption of Stores & Spares of Rs.512.97 lakhs during FY 2016-17 (Previous year Rs.570.96 lakhs) is after netting off Rs.18.97 lakhs during FY 2016-17 (Previous year Rs.25.73 lakhs) towards recovery of crates & Cans from transporters .

Note 41: Distribution expenses (including carriage outwards) incurred during FY 2016-17 of Rs. 2925.32 lakhs (Previous year Rs. 2659.86 lakhs) is after netting off Rs.6.89 lakhs during FY 2016-17 (Previous year Rs. 7.20 lakhs) towards recovery from transporters for late arrival and other applicable revenue deductions.

Note 42: Trade Payables, Trade Receivables, Loans, Cattle loan Receivables, Financial and Non-financial assets, Financial and non financial liabilities are subject to confirmation from parties concerned and reconciliation thereof. Balance confirmations have been received from some of the parties. Where ever confirmation of balances have not been received they are subject to adjustment and reconciliation thereof.. Hence the balances of Trade Payables, Trade Receivables, Loans, Cattle loan Receivables, Financial and Non-financial assets, Financial and non financial liabilities are taken on the basis of book figures.

Note 43: In the opinion of the management, the Current Assets, Financial & Non-financial Assets are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities, have been made, which is adequate and not in excess of the amount considered necessary.

Note 44: Foreign Currency Transactions:

Expenditure in Foreign Currency	31 March 2017	31 March 2016
Towards Capital Equipment's & Service contracts	683	-
Travelling Expenses	-	15

Net Dividend remitted in foreign exchange	31 March 2017	31 March 2016
Period to which relates	-	Interim
Number of Non-resident shareholders	-	10
Number of equity shares held on which-dividend was due	-	807,500
Amount of dividend remitted in foreign exchange	-	24.22

Note 45 :Dues to micro and small enterprises

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").
The disclosures pursuant to the said MSMED Act, to the extent the information is available with the company, are as follows:

	March 31, 2017	March 31, 2016	1 April, 2015
A Principal amount remaining unpaid	221	97	217
B Interest due thereon	-	-	-
C Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-	-
D 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
E Interest accrued and remaining unpaid	-	-	-
F 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 enterprise	-	-	-

Note 46: Specified bank notes

	Specified Bank Notes (SBN's)	Other Denominations	Total
Closing cash in hand as on 08.11.2016	118	66	184
(+) Permitted receipts	844	5,796	6,641
(-) Permitted payments	-	284	284
(-) Amount deposited in Bank	963	5,402	6,365
Closing cash in hand as on 30.12.2016	**-**	**176**	**176**

Note 47: Previous year figures are regrouped/reclassifed and rearranged wherever necessary.

As per our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited
Note 48: First-time adoption of Ind AS
Transition to Ind AS (All amounts in INR Lakhs, unless otherwise stated)

These are the Company's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016, the comparative information presented in these financial statements in the preparation of an opening Ind AS balance sheet at 1 April, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IndAS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective application of Ind AS 21 to business combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21'Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree. The Company has elected to apply this exemption.

A.1.3 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

A.1.4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions

A.2.2 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IndAS estimates as at 1April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets based on expected credit loss model.

Creamline Dairy Products Limited
Note 48: First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

B: Reconciliations between previous GAAP and Ind AS
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (1 April 2015)

	Notes to first time adoption	Previous GAAP *	Reclassification	Adjustments	Ind AS
ASSETS					
Non-current assets					
Property, plant and equipment		8,245			8,245
Capital work-in-progress		194		-	194
Other intangible assets		252		-	252
Financial assets					
Investments		563		-	563.08
Other financial assets		-	285		285
Other non current assets		418	(358)		60
Total non-current assets		**9,672**	**(73)**	**-**	**9,599**
Current assets					
Inventories		9,545		-	9,545
Financial assets					
Trade receivables	3	356	(6)		350
Cash and cash equivalents		595		-	595
Other financial assets		-	138		138
Current tax asset		-	44	-	44
Other current assets		888	(691)		197
Total current Assets		**11,385**	**(516)**	**-**	**10,869**
Total Assets		**21,057**	**(589)**	**-**	**20,468**
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital		1,028		-	1,028
Other equity					
Reserves & Surplus	4, 6, 2	7,731	-	501	8,233
Deferred Govt Grants		379		(379)	-
Total Equity		**9,138**	**-**	**122**	**9,260**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowing	4	1,357		(0.12)	1,357
Other Financial Liabilities		623	(623)	-	(0)
Employee benefit obligations		56		-	56
Deferred tax liabilities	2	380		(253)	127
Government grants		-		240	240
Total non-current liabilities		**2,415**	**(623)**	**(13)**	**1,780**
Current liabilities					
Financial liabilities					
Borrowing		1,420		-	1,420
Trade Payables		3,049	2,159	-	5,208
Other Financial Liabilities		-	2,398		2,398
Provisions	5	902	(655)	(247)	(0)
Employee benefit obligations		-	17		17
Government grants		-	-	137	137
Other current liabilities		4,133	(3,886)		247
Total current liabilities		**9,503**	**33**	**(110)**	**9,428**
Total liabilities		**11,919**	**(589)**	**(123)**	**11,207**
Total equity and liabilities		**21,057**	**(589)**	**(0)**	**20,468**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Creamline Dairy Products Limited
Note 48: First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliation of equity as at 31 March, 2016

	Notes to first time adoption	Previous GAAP *	Reclassification	Adjustments	Ind AS
ASSETS					
Non-current assets					
Property, plant and equipment		9,242		-	9,242
Capital work-in-progress		688		-	688
Other intangible assets		279		-	279
Financial assets					
Investments	1	563		-	563
Other financial assets		489	(270)	-	219
Other non current assets		26	164	-	190
Total non-current assets		**11,287**	**(106)**	**-**	**11,182**
Current assets					
Inventories		6,873		-	6,873
Financial assets					
Investments	1	5,100		99	5,199
Trade receivables	3	572	2	-	574
Cash and cash equivalents		883	69	-	952
Loans		4,063	(1,016)		3,047
Other financial assets		-	156	-	156
Other current assets		341	(146)		196
Total current Assets		**17,833**	**(936)**	**99**	**16,996**
Total Assets		**29,120**	**(1,042)**	**99**	**28,178**
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital		1,132		-	1,132
Other equity					
Reserves & Surplus	1, 2	15,091	2	405	15,499
Deferred Govt Grants		242	(242)		-
Total Equity		**16,465**	**(240)**	**405**	**16,631**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowing	4	571	-	-	571
Other Financial Liabilities		743	(743)	-	-
Employee benefit obligations		97		-	97
Deferred tax liabilities	2	487		(306)	181
Government grants		-	205	-	205
Total non-current liabilities		**1,898**	**(538)**	**(306)**	**1,054**
Current liabilities					
Financial liabilities					
Borrowing		4,100	69	-	4,169
Trade Payables		2,900	285	-	3,185
Other Financial Liabilities		-	2,509		2,509
Employee benefit obligations		-	19		19
Government grants		-	35	-	35
Current tax liabilities		1,397	(1,112)	-	285
Other current liabilities		2,360	(2,070)	-	291
Total current liabilities		**10,757**	**(265)**	**-**	**10,493**
Total liabilities		**12,655**	**(803)**	**(306)**	**11,547**
Total equity and liabilities		**29,120**	**(1,042)**	**99**	**28,178**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Creamline Dairy Products Limited
Note 48: First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March, 2016

	Notes to first time adoption	Previous GAAP *	Reclassification	Adjustments	Ind AS
Revenue from operations	7	96,005		(3,259)	92,746
Other income	1	289	(4)	-	285
Other gains/(losses)-net		-	4	99	103
Total Income		**96,294**	**-**	**(3,160)**	**93,134**
Expenses					
Costs of materials consumed		69,020	3,548	-	72,568
Changes in inventories of finished goods, work-in- progress and stock in trade		1,515	136	-	1,651
Excise duty	6	-		45	45
Employee benefit expense	8	4,288	(1,088)	233	3,433
Depreciation and amortisation expense		1,196		-	1,196
Other expenses	7	15,594	(2,597)	(3,576)	9,422
Finance costs	4	431		0.12	431
		92,044	**-**	**(3,298)**	**88,746**
Profit before tax		**4,250**		**138**	**4,388**
Income tax expense					
Current tax expense		1,410		-	1,410
Deferred tax expense	2	108		(40)	68
Total tax expense		**1,518**		**(40)**	**1,478**
Profit for the year		**2,732**		**178**	**2,910**
Other comprehensive income/(loss)	2, 8, 10	**-**		**(25)**	**(25)**
Total comprehensive income		**2,732**		**203**	**2,885**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Creamline Dairy Products Limited
Note 48: First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliation of total equity as at 31 March 2016 and 1 April, 2015

	Notes to first time adoption	31 March, 2016	1 April, 2015
Total equity (shareholder's funds) as per previous GAAP		16,223	8,759
Adjustments:			
Proposed dividend (net of dividend distribution tax)	5	-	247
Government Grants		2	2
Borrowings- transaction cost adjustment	4	0.12	-
Deferred tax asset on temporary differences	2	306	253
Fair valuation of investments	1	99	-
Total adjustments		**407**	**502**
Total equity as per Ind AS		**16,631**	**9,261**

Reconciliation of total comprehensive income for the year ended 31 March, 2016

	Notes to first time adoption	31 March, 2016
Profit after tax as per previous GAAP		2,733
Adjustments:		
Fair valuation of investments	1	99
Borrowings- transaction cost adjustment	4	-
Remeasurements of post-employment benefit obligations	8	38
Deferred tax credit on temporary differences (net of amounts transferred to other comprehensive income)	2	40
Total adjustments		**177**
Profit after tax as per Ind AS		**2,910**
Other comprehensive income	2, 8, 10	**(25)**
Total comprehensive income as per Ind AS		**2,885**

Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March, 2016

	Notes	Previous GAAP	Classification	Adjustments*	Ind AS
Net cash flow from operating activities		1,590	3,576	-	5,166
Net cash flow from investing activities		2,540	(7,510)	-	(4,970)
Net cash used in financing activities		(3,842)	4,003	-	161
Net increase/decrease in cash and cash equivalents		**288**	**69**	-	**357**
Cash and cash equivalents as at April 1, 2015		595	-	-	595
Cash and cash equivalents as at 31 March, 2016		**883**	**69**	**-**	**952**

* The adjustments above are on account of reclassification of the previous GAAP numbers to conform to Ind AS presentation requirements.

Cream line Dairy Products Limited
C: Notes to first-time adoption

(All amounts in INR Lakhs, unless otherwise stated)

Note 1: Fair valuation of investments
Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in the profit or loss for the year ended 31 March 2016. This increased the retained earnings by Rs. 99 lakhs as at 31 March 2016 (1 April 2015 - Rs. NIL).

Consequent to the above, the other equity as at 31 March 2016 increased by Rs 99 lakhs (1 April, 2015 - Rs. NIL) and profit for the year ended 31 March 2016 increased by Rs. 99 Lakhs.

Note 2: Deferred tax
Under previous GAAP, deferred tax expense/credit were recognised on timing differences between book profits and taxable profits. Under Ind AS, deferred tax is required to be recognised on all temporary differences. The management has recognised deferred tax asset of Rs. 306 Lakhs (1 April, 2015- Rs. 253 Lakhs) on indexation benefit on land value and other temporary differences. The resultant deferred tax credit has been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the period and other comprehensive income for the year-ended 31 March, 2016.

Consequent to the above, the retained earnings and total equity as at 31 March, 2016 have increased by Rs.306 Lakhs (April 1, 2015: Rs. 253 Lakhs) and profit and other comprehensive income for the year-ended 31 March, 2016 increased by Rs. 40 Lakhs and Rs. 13 Lakhs, respectively.

Note 3: Trade receivables
As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. The impact on application of expected credit loss model has been estimated as not material and accordingly, no adjustment has been made on the date of transition and as at 31 March, 2016

Note 4: Borrowings
Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31 March 2016 have been reduced by Rs. NIL (1 April 2015 Rs. 0.12 Lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31 March 2016 reduced by Rs. 0.12 Lakhs as a result of the additional interest expense.

Note 5: Proposed dividend
Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 247 Lakhs (including provision for tax on dividends of Rs. 41 Lakhs) as at 1 April 2015 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 6: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by Rs. 45 Lakhs. There is no impact on the total equity and profit.

Note 7: Trade Discounts
Under the previous GAAP, revenue from sale of products was presented exclusive of trade discounts and cash discounts. Under Ind AS, revenue from sale of goods is presented net of such discounts. This change has resulted in an decrease in total revenue and total expenses for the year ended 31 March 2016 by Rs. 3,304 lakhs. There is no impact on the total equity and profit.

Note 8: Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs.38 Lakhs. There is no impact on the total equity as at 31 March 2016.

Note 9: Retained earnings
Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 11: Reclassifications
The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

Independent Auditors' Report on Consolidated Financial Statements

To
The Members of Creamline Dairy Products Limited,

Report on the Consolidated Financial Statements:

1. We have audited the accompanying Consolidated Financial statements of **Creamline Dairy Products Limited ("the Holding Company")** and its subsidiary (collectively referred to as "the Group"), which comprising of the Consolidated Balance Sheet as at 31st March 2017, the consolidated statement of Profit and Loss Account (including Other Comprehensive Income), the Consolidated Cash Flow statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statement').

Management's Responsibility for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (" the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated Profit and loss (consolidated financial performance including other Comprehensive Income) and consolidated cash flows and consolidated changes in equity 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 Act. The respective Board of Directors/management of the companies included in the group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting the 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 the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditors Responsibility:

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perofm the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement

Opinion:

1. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position)of the Group ,as at 31st March 2017, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Report on other legal and Regulatory Requirements:

1. As required by Section 143 (3) of the Act, based on our audit and other financial information of the subsidiaries, 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 purpose of our audit of the aforesaid consolidated financial statements

   b. In our opinion, proper books of accounts 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.

   c. The consolidated Balance Sheet, the consolidated statement of Profit and Loss, the Consolidated Cash Flow statement, Other Comprehensive Income, consolidated statement of changes in Equity for the year ended dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement, Other Comprehensive Income, consolidated statement of changes in Equity for the year ended dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

e. On the basis of written representations received from the directors of the Holding Company as on March 31st, 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group companies covered under the act is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting of "the Group " and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

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

    i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of "the group". Refer the notes to accounts of the consolidated financial statements;
    ii) The Group does not have any material for foreseeable losses on long – term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Holding Company, and its Subsidiary companies covered under the Act during the year ended 31st March 2017.

iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 by the Holding company, and its subsidiary company covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies. Refer the notes to accounts note no.47 of the consolidated financial statements;

For S.B.S.MANIAN & CO.,
Chartered Accountants,
Firm No.008165S

Sd/-
CA.**S.B.S.MANIAN**
Partner
Membership.No.26586

Place : Hyderabad
Date : 08.05.2017

Annexure – B to the Auditors Report

Report on the Internal Financial Controls under clause (i) of sub Subsection 3 of Section 143 of the Companies Act,2013(" the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Creamline Dairy Products Limited ("the Holding Company") and its subsidiary company as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of Holding Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial Reporting issued by the Institute of Chartered Accounts of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion:

In our opinion , the Holding Company and its subsidiary company , have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accounts of India.

For **S.B.S.MANIAN & CO.,**
Chartered Accountants
Firm No.008165S

Sd/-
CA.S.B.S.MANIAN
PARTNER
Membership.No.26586

Place: Hyderabad
Date: 08.05.2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)

Consolidated balance sheet

	Notes	31 March, 2017	31 March, 2016	1 April, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	17,317	9,435	8,439
Capital work-in-progress	3	1,256	688	194
Goodwill	4	368	368	368
Other intangible assets	4	308	279	252
Financial assets				
(i) Investments	5 (a)	0.17	0.21	0.21
(ii) Trade receivables	5(b)	-	-	-
(iii) Other financial assets	5 (e)	265	219	286
Non - Current tax assets	8	34	-	-
Other non-current assets	6	1,329	190	60
Total non-current assets		**20,878**	**11,180**	**9,599**
Current assets				
Inventories	9	9,986	6,873	9,545
Financial assets				
(i) Investments	5(a)(i)	-	5,199	-
(ii) Trade receivables	5(b)	467	571	347
(iii) Cash and cash equivalents	5(d)	1,356	954	597
(iv) Loans	5(c)	-	3,047	-
(v) Other financial assets	5 (e)	226	157	138
Current tax assets	8	18	-	44
Other current assets	7	199	195	197
Total current assets		**12,253**	**16,996**	**10,868**
Total assets		**33,130**	**28,176**	**20,466**

	Notes	31 March, 2017	31 March, 2016	1 April, 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10 (a)	1,132	1,132	1,028
Other Equity				
Reserves and Surplus	10 (b)	18,205	15,497	8,232
Total equity		**19,338**	**16,630**	**9,260**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	11 (a)	1,345	571	1,357
Employee benefit obligations	13	185	97	56
Deferred tax liabilities	14	503	181	126
Government grants	16	198	205	240
Total non-current liabilities		**2,232**	**1,053**	**1,779**
Current liabilities				
Financial liabilities				
(i) Borrowings	11 (b)	3,828	4,169	1,420
(ii) Trade payables	12	3,832	3,185	5,208
(iii) Other Financial liabilities	11 (c)	3,563	2,510	2,398
Employee benefit obligations	13	34	19	17
Government grants	16	6	35	137
Current tax liabilities	15	-	285	-
Other current liabilities	17	297	291	247
Total current liabilities		**11,560**	**10,493**	**9,428**
Total liabilities		**13,792**	**11,547**	**11,207**
Total equity and liabilities		**33,130**	**28,176**	**20,466**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referrd to in our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)
Consolidated statement of profit and loss

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from operations	18	1,00,992	92,746
Other income	19 (a)	594	285
Other gains/(losses)-net	19 (b)	266	103
Total income		**1,01,852**	**93,135**
Expenses			
Cost of materials consumed	20 (a)	81,582	72,568
Changes in inventories of work-in-progress and finished goods	20 (b)	(1,681)	1,651
Excise duty		59	45
Employee benefit expense	21	4,726	3,433
Depreciation and amortisation expense	22	1,429	1,196
Other expenses	23	10,982	9,422
Finance costs	24	493	431
Total expenses		**97,590**	**88,747**
Profit before exceptional items and tax		**4,262**	**4,388**
Exceptional items		-	-
Profit before tax		**4,262**	**4,388**
Income tax expense			
-Current tax	25	1,300	1,410
-Deferred tax	25	358	68
Total tax expense		**1,658**	**1,478**
Profit for the year		**2,604**	**2,910**

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employement benefit obligations	13	(105)	(38)
Deferred Income tax relating to this item	25	36	13
Other comprehensive income/(loss) for the year		**(69)**	**(25)**
Total comprehensive income/(loss) for the year		**2,535**	**2,885**

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Profit is attributable to:			
Owners of Creamline Dairy Products Limited		2,604	2,910
		2,604	**2,910**
Other comprehensive income/(loss) attributable to:			
Owners of Creamline Dairy Products Limited		(69)	(25)
		(69)	**(25)**
Total comprehensive income attributable to:			
Owners of Creamline Dairy Products Limited		2,535	2,885
		2,535	**2,885**
Earnings per equity share attributable to owners of Creamline Dairy Products Limited			
Basis earnings per share	37	22.99	27.53
Diluted earnings per share	37	22.99	27.53

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the Profit & Loss Statement referred to in our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)
Consolidated statement of cash flows

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Cash flow from operating activities			
Profit before income tax		4,262	4,388
Adjustments for:			
Depreciation and amortisation expense	22	1,429	1,196
Net (Gain)/loss on disposal/scrapping of plant, equipment and other assets	19 (b)	59	(4)
Amortisation of government grants	19 (a)	(35)	(137)
Changes in fair valuation of investments through profit or loss	19 (b)	-	(99)
Interest income classified as investing cash flows	19 (a)	(376)	(82)
Net gain on sale of investments	19(b)	(266)	(99)
Sundry balances written off (net)	23	(1)	16
Bad debts written off (net)	23	102	3
Provision for doubtful debts/advances	23	95	37
Finance costs	24	493	431
Change in operating assets and liabilities			
(Increase)/Decrease in trade receivables	5 (b)	(68)	(262)
(Increase)/Decrease in inventories	9	(3,114)	2,673
(Increase)/Decrease in other financial assets	5 (e)	(109)	40
(Increase)/Decrease in other current and non-current assets	6, 7	28	(25)
Increase/(Decrease) in trade payables	11 (d)	648	(2,037)
Increase/(Decrease) in other financial liabilities	11 (c)	513	161
Increase/(Decrease) in employee benefit obligations	13	208	5
Increase/(Decrease) in other current and non-current liabilities	17	(6)	44
Cash generated from operations		3,863	**6,248**
Income taxes paid	25	**(1,638)**	**(1,081)**
Net cash inflow/(outflow) from operating activities		2,225	**5,167**
Cash flows from investing activities			
Payments for property, plant and equipment (Refer Note 31)	3	(10,441)	(2,031)
Proceeds from sale of property, plant and equipment	3	40	18
Loans to related parties	5(c)	3,000	(3,000)
Dividend received	19 (a)	-	2
Interest received	19 (a)	368	41
Net cash inflow/(outflow) from investing activities		**(7,033)**	**(4,970)**
Cash flows from financing activities			
Proceeds from issues of shares	10 (a)	-	5,103
Repayment of long term borrowings (net)	11 (a)	559	(1,639)
Proceeds from short term borrowings (net)	11 (b)	(341)	2,749
Sale/(Purchase) of investments	5(a)(i)	5,199	(5,100)
Net gain on sale of investments	19(b)	266	99
Interest paid	24	(473)	(433)
Dividends paid to company's shareholders (including tax)	10 (b)	-	(618)
Net cash inflow/(outflow) from financing activities		**5,210**	**161**
Net increase (decrease) in cash and cash equivalents		**402**	**358**
Cash and cash equivalents at the beginning of the financial year	5(d)	954	597
Cash and cash equivalents at end of the year		**1,356**	**954**

Reconciliation of cash and cash equivalents as per the cash flow statement

		31 March, 2017	31 March, 2016
Cash and cash equivalents as per above comprise of the following:			
Cash and cash equivalents	5(d)	1,356	954
Bank overdrafts	5(d)		-
Balances per statement of cash flows		**1,356**	**954**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.
This is the Cash Flow Statement referred to in our report of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited (All amounts in INR Lakhs, unless otherwise stated)

Consolidated statement of changes in equity

A. Equity share capital

	Notes	
As at 1 April, 2015	10 (a) (i)	1,028
Changes in equity share capital	10 (a) (i)	105
As at 31 March, 2016		1,132
Changes in equity share capital	10 (a) (i)	-
As at 31 March, 2017		1,132

B. Other equity

	Notes	Attributable to owners of Creamline Dairy				
		Reserves and surplus				Total
		Securities premium reserve	General Reserves	Capital Reserves	Retained earnings	
Balance at 1 April, 2015	10 (b)	**722**	**1,194**	**2**	**6,314**	**8,232**
Profit for the year		-	-	-	2,910	2,910
Other comprehensive income		-	-	-	(25)	(25)
Total comprehensive income for the year		**-**	**-**	**-**	**2,885**	**2,885**
Transactions with owners in their capacity as owners:						
Issue of equity shares	10(b) (i)	4,998		-	-	4,998
Transferred to General Reserve	10(b) (ii)/(iii)	-	125	-	(125)	-
Interim Dividend per share (31 March 2016:Rs.3)					(308)	(308)
Tax on interim Dividend	10(b) (iii)	-	-	-	(63)	(63)
Final Dividend per share (31 March 2015: Rs 2)					(206)	(206)
Tax on final dividend	10(b) (iii)	-	-	-	(41)	(41)
Balance at 31 March 2016		**5,720**	**1,319**	**2**	**8,456**	**15,497**

	Notes	Attributable to owners of Creamline Dairy				
		Reserves and surplus				Total
		Securities premium reserve	General Reserves	Capital Reserves	Retained earnings	
Balance at 1 April, 2016		**5,720**	**1,319**	**2**	**8,456**	**15,497**
Profit for the year					2,604	**2,604**
Other comprehensive income					(69)	**(69)**
Reversal of capitalised borrowing cost (IndAs Adjustment)					0.12	**0.12**
Total comprehensive income for the year		-	-	-	**2,535**	**2,535**
Transactions with owners in their capacity as owners:						
Issue of equity shares	10(b) (i)					**-**
Transferred to General Reserve			125		(125)	**-**
Acquisitions				173		**173**
Balance at 31 March 2017		**5,720**	**1,444**	**175**	**10,867**	**18,205**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Freehold land	Buildings on freehold land	Plant and Machinery	Electrical Installations	Furniture & Fixtures	Vehicles	Office equipment	Crates, Cans & Milk o Testers	Renewable Energy-Wind Mills & Solar Equipment	Computers	Grand Total	Capital work-in-progress
Year ended 31 March 2016												
Gross carrying amount												
Deemed cost as at 1 April 2015	**1,109**	**3,528**	**8,907**	**490**	**164**	**421**	**197**	**767**	**1,090**	**403**	**17,075**	**194**
Additions	-	186	721	39	2	109	2	5	1,024	23	2,112	4,487
Disposals	-	-	30	21	-	9	-	-	-	-	60	3,993
Closing gross carrying amount	**1,109**	**3,714**	**9,598**	**508**	**165**	**521**	**199**	**772**	**2,114**	**427**	**19,127**	**688**
Accumulated depreciation	**-**	**793**	**5,576**	**310**	**95**	**198**	**175**	**672**	**505**	**313**	**8,636**	**-**
Depreciation charge during the year	-	104	787	32	15	49	4	28	44	38	1,101	-
Disposals	-	-	18	21	-	8	-	-	-	-	46	-
Closing accumulated depreciation	**-**	**897**	**6,345**	**321**	**110**	**239**	**179**	**700**	**549**	**350**	**9,692**	**-**
Net carrying amount	**1,109**	**2,817**	**3,253**	**187**	**55**	**282**	**20**	**72**	**1,565**	**76**	**9,435**	**688**
Year ended 31 March 2017												
Gross carrying amount												
Opening Gross carrying amount	1,109	3,714	9,598	508	165	521	199	772	2,114	427	**19,127**	688
Additions	318	115	1,715	17	3	111	19	-	550	32	**2,880**	3,525
Acquisitions	1,639	2,480	1,622	183	9	473	17	37	-	6	**6,465**	
Disposals	0.31	0.04	1,121	41	32	85	76	200	-	144	**1,699**	2,956
Closing gross carrying amount	**3,066**	**6,309**	**11,814**	**667**	**145**	**1,019**	**159**	**609**	**2,664**	**320**	**26,773**	**1,256**
Accumulated depreciation and impairment												
Opening accumulated depreciation	-	897	6,345	321	110	239	179	700	549	350	**9,692**	-
Depreciation charge during the year	-	141	939	44	14	59	7	24	101	35	**1,364**	
Disposals	-	0.01	1,043	37	31	80	73	196	-	140	**1,600**	
Closing accumulated depreciation and impairment	-	1,038	6,242	328	93	219	113	528	650	246	9,456	-
Net carrying amount	**3,066**	**5,271**	**5,572**	**339**	**53**	**801**	**46**	**81**	**2,014**	**74**	**17,317**	**1,256**

(i) Property, plant and equipment pledged as security
No property, plant have been pledged as security during the end of the financial year. Please Refer to note 11 for information on property, plant and equipment pledged as seurity by the Company
(ii) Acquisitions
Please refer note 31 - Business combination for acquisitions during the year
(iii) Contractual Obligations
Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(iv) Capital work-in-progress
Capital work in progress as of 31 March 2017 of Rs 1256 lakhs includes expansion/modernisation of processing facilities
Previous year of Rs 688 lakhs includes solar power equipments under implementation and other regular expansion of the plants of the Company

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 4: Intangible assets

	Computer Software	Goodwill
Year ended 31 March 2016		
Gross carrying amount		
Deemed cost as at 1 April 2015	335	368
Additions	123	-
Closing gross carrying amount	**458**	**368**
Accumulated amortisation		
Opening accumulated amortisation	83	-
Amortisation charge for the year	95	-
Closing accumulated amortisation	**178**	**-**
Closing net carrying amount	**279**	**368**
Year ended 31 March 2017		
Gross carrying amount		
Opening gross carrying amount	458	368
Additions	94	-
Acquisitions	0.01	
Closing gross carrying amount	**552**	**368**
Accumulated amortisation and impairment		
Opening accumulated amortisation	178	-
Amortisation charge during the year	65	-
Impairment charge	-	-
Closing accumulated amortisation	**243**	**-**
Closing net carrying amount	**308**	**368**

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 amounting to Rs. 194 Lakhs. The recoverable value of the goodwill has been determined as fair value less costs of disposal of the aforesaid land, amounting to Rs. 1,214 Lakhs based on the valuation report of Prasad & Associates, Registered valuers as at 16th June, 2016. As the recoverable value is higher than the carrying value of goodwill, no impairment loss has been recognised.

Note 5: Financial assets
5(a) Non-Current investments

	31 March 2017	31 March 2016	1 April 2015
Unquoted			
National savings certificates	0.17	0.21	0.21
Total Non-current investments	**0.17**	**0.21**	**0.21**

5(a)(i) Current investments

	31 March 2017	31 March 2016	1 April 2015
Investment in mutual funds			
Quoted			
(31 March, 2016: 4,644,768.133; 1 April 2015: Nil) units in DSP Black Rock Ultra Short Term Fund	-	510	-
(31 March, 2016: 5,230,228.103; 1 April 2015: Nil) units in ICICI Prudential Ultra Short Term Fund	-	816	-
(31 March, 2016: 267,187.742; 1 April 2015: Nil) units in ICICI Prudential Savings Fund	-	613	-
(31 March, 2016: 2,394,693.36; 1 April 2015: Nil) units in IDFC Ultra Short Term Fund	-	510	-
(31 March, 2016: 67,102.062; 1 April 2015: Nil) units in Kotak Low Duration Fund Standard Growth	-	1,219	-
(31 March, 2016: 4,820,856.956; 1 April 2015: Nil) units in Reliance Medium Term Fund	-	1,530	-
Total (mutual funds)	**-**	**5,199**	**-**
Total Current investments	**-**	**5,199**	**-**

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

5(b) Trade receivables

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Trade receivables	467	-	571	-	347	-
Receivables from related parties	-	-	-	-	-	-
Doubtful Debts (Refer note below)	78	47	49	-	25	-
Less: Allowance for doubtful debts	(78)	(47)	(49)	-	(25)	-
Total receivables	**467**	-	**571**	-	**347**	-
Due with in 365 days	431	-	538	-	316	-
Due for more than 365 days	36	-	33	-	31	-

Note: Non-current Doubtful debts for FY 16-17 includes Rs. 47 lakhs towards provision for Expected Credit Loss

5(c) Loans

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good						
Loans to a related parties	-	-	3,000	-	-	-
Interest receivable thereon	-	-	47	-	-	-
Total loans	**-**	**-**	**3,047**	**-**	**-**	**-**

5(d) Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
-in current accounts	976	624	360
Cash on hand	380	329	237
Total cash and cash equivalents	**1,356**	**954**	**597**

5(e) Other financial assets

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Security deposits	95	256	76	193	28	215
Advances to related parties	-	-	27	-	58	18
Advances to employees	3	8	0.7	-	1	14
Advances to milk suppliers	116	37	50	39	42	26
Less: Provision for doubtful advances	-	(37)	-	(39)	-	(26)
Fixed deposits with maturity of more than 12 months	-	1	-	26	-	39
Interest receivable	11	-	3	-	10	-
Total financial assets	**226**	**265**	**157**	**219**	**138**	**286**

Note 6: Other non-current assets

	31 March 2017	31 March 2016	1 April 2015
Advances to suppliers	-	41	14
Prepaid expenses	22	1	17
Capital advances	1,302	132	29
Other Non-current Assets	5	16	-
Total other non-current assets	**1,329**	**190**	**60**

Note 7: Other current assets

	31 March 2017	31 March 2016	1 April 2015
Advances to suppliers	69	95	121
Prepaid expenses	126	100	76
Other Current Assets	4	-	-
Total other current assets	**199**	**195**	**197**

Note 8: Tax assets (Refer Note 31(B))

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Advance income tax	18	34	-	-	44	-
Total current tax assets	**18**	**34**	**-**	**-**	**44**	**-**

Note 9: Inventories (As verified, valued and certified by the Management)

	31 March 2017	31 March 2016	1 April 2015
Raw Materials	3,393	2,250	3,237
Packing Materials	504	335	366
Finished Goods	5,231	3,880	5,397
Work - in - Process	543	214	347
Consumables, Stores and Spares	316	194	197
Total inventories	**9,986**	**6,873**	**9,545**

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Note 10: Equity share capital and other equity
10 (a) Equity share capital

Authorised equity share capital

	Number of shares	Amount
As at 1st April 2015	1,50,00,000	1,500
Increase during the year	-	-
As at 31st March 2016	1,50,00,000	1,500
Increase during the year	-	-
As at 31st March 2017	1,50,00,000	1,500

(i) Movements in equity share capital

	Number of shares	Amount
As at 1st April 2015	1,02,76,893	1,028
Shares issued during the year	10,47,807	105
As at 31st March 2016	1,13,24,700	1,132
Shares issued during the year	-	-
As at 31st March 2017	1,13,24,700	1,132

Terms and rights attached to equity shares
The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs.10/- each per share. Each holder of equity shares 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 share holders.

(iii) Details of shareholders holding more than 5% shares in the company

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each fully paid-up						
Godrej Agrovet Limited, the holding company	58,79,008	51.91	58,79,008	51.91	26,71,993	26.00
K.Bhasker Reddy	8,68,500	7.67	8,68,500	7.67	8,68,500	8.45
D.Chandra Shekhar Reddy	8,35,292	7.38	8,35,292	7.38	8,35,292	8.13
C.Balraj Goud	6,54,892	5.78	6,54,892	5.78	7,44,892	7.25
M.Gangadhar	5,68,508	5.02	7,99,400	7.06	8,34,400	8.12

(iv) Shares held by holding/ ultimate holding company

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of share	% holding
Equity shares of Rs. 10/- each fully paid-up						
Godrej Agrovet Limited, the holding company	58,79,008	51.91	58,79,008	51.91	26,71,993	26.00

10 (b) Reserves and surplus

	31 March 2017	31 March 2016	1 April 2015
Capital Reserve	175	2	2
Securities Premium	5,720	5,720	722
General Reserve	1,444	1,319	1,194
Retained Earnings	10,867	8,456	6,314
Total reserves and surplus	**18,205**	**15,497**	**8,232**

(i) Securities Premium

	31 March 2017	31 March 2016
Opening Balance	5,720	722
Add: Addtions during the year	-	4,998
Closing Balance	**5,720**	**5,720**

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

(ii) General Reserve

	31 March 2017	31 March 2016
Opening Balance	1,319	1,194
Add: Additions during the year	125	125
Closing Balance	**1,444**	**1,319**

(iii) Retained Earnings

	31 March 2017	31 March 2016
Opening Balance	8,456	6,314
Add: Adjustment due to reversal of capitalised borrowing cost	0.12	-
Add: Net profit for the year	2,604	2,910
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post-employment benefit obligation, net of tax	(69)	(25)
Appropriations:		
Transferred to General Reserve	(125)	(125)
Interim Dividend per share Rs Nil (31 March 2016:Rs.3 per share)	-	(308)
Tax on interim Dividend	-	(63)
Final Dividend per share Rs.Nil (31 March 2016: Rs.2 per share)	-	(206)
Tax on final dividend	-	(41)
Closing Balance	**10,867**	**8,456**

Nature & Purpose of the above Reserves :

(i) Capital Reserve

Capital Reserve - Refer note no.31

(ii) Securities Premium

Security premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General Reserve

The Group required to create a General Reserve out of the profits to meet any furture contingencies

Note 11: Financial liabilities

11 (a) Non-current borrowings

	Maturity Date	Terms of repayment	Coupon/interest rate	31 March 2017	31 March 2016	1 April 2015
Secured						
Term Loans						
From Banks - Indian Rupee Loan 1	20 July, 2016	Repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement.	MIBOR+2%	-	318	318
From Banks - Indian Rupee Loan 2	30 September, 2015	Repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement.	MIBOR+2%	-	-	755
Vehicle Loan						
Vehicle Loan from banks	2017 to 2019	Repayable in 36 equal monthly instalments from the date of disbursement.	9.5% to 10.26%	64	108	62
Unsecured						
Term Loans						
From Banks - Indian Rupee Loan 3	29 March 2020	50% at the end of 18 months from the date of drawn down 50% at the end of 36 months from the date of drawn down	5.97%	520	-	-
From Banks - Indian Rupee Loan 4	31 December, 2022	Post Moratorium Repayable in 16 structured quarterly instalments commencing from 1st January 2018	9.1%	375	-	-

From Banks - Indian Rupee Loan 5	22 July, 2016	Repayable in 6 equal quarterly instalments commencing from six months from the date of first disbursement	10.75%	-	-	1,500
From Banks - Indian Rupee Loan 6	30 March, 2021	Repayable in 18 equal quarterly instalments commencing from six months from the date of first disbursement	9.50%	596	570	-
Total non-current borrowings				**1,555**	**996**	**2,635**
Less: Current maturities of long-term debt (included in note 12(C))				163	381	1,255
Less: Current maturities of vehicle loan (included in note 12 (C))				47	44	22
Less: Interest accrued				-	-	-
Non-current borrowings (as per balance sheet)				**1,345**	**571**	**1,357**

Maturity date, terms of repayment and interest rate on above loans

ICICI Bank : Rupee Loan (secured)

a) Rupee Term loan of Rs.3,000.00 lakhs A/c No.C127708001 (Outstanding) as on Mar 31st 2017- Rs.Nil (Previous year Rs.317.59 lakhs) carries interest Nil. (Previous year interest - 11.50%). Term Loans have been drawn in three tranches and repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement. The loan is secured by first paripasu charge on fixed assets of the company apart from extention of first charge on movable and immovable fixed assets of the company already charged with ICICI Bank Ltd on pari pasu basis of the Company. They are also secured by the personal guarantee of the Managing Director and three other whole time Directors of the Company which was subsequently withdrawn.

b) Rupee Term loan of Rs.1200.00 lakhs A/c No.C127707001 (Outstanding) as on 31st Mar, 2016 - Rs.Nil lakhs (Previous year Rs.120.02 lakhs) carries interest @ 11.50% pa. (Previous year interest - @ 12.25% pa). The term loan is repayable in 20 equal quarterly instalments commencing from six months from the date of first disbursement. The loan is secured by first paripasu charge on fixed assets of the company apart from extention of first charge on movable and immovable fixed assets of the company already charged with ICICI Bank Ltd on pari pasu basis of the Company. They are also secured by the personal guarantee of the Managing Director and three other whole time Directors of the Company.

Kotak Mahindra - Vehicle Loan (secured)

The vehicle loan from Kotak Mahindra Prime Ltd - Agr.No.CF-11270654 outstanding as on 31st March, 2017 is Rs.12.81 lakhs Previous year Rs.23.98 lakhsl carries interest @ 9.78% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hyphothication of the respective vehicle.

Kotak Mahindra Prime Limited - Vehicle Loan (secured)

The vehicle loan from Kotak Mahindra Prime Ltd - Agr.No.CF-10750240 outstanding as on 31st March 2017 is Rs. 1.38 lakhs Previous year Rs.3.96 lakhs carries interest @ 10.26% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hyphothication of the respective vehicle.

Kotak Mahindra Prime Limited - Vehicle Loan (secured)

The vehicle loan from Kotak Mahindra Prime Ltd - Agr.No.CF-10435107 outstanding as on 31st March, 2017 is Rs.9.79 Lakhs Previous year Rs.13.48 lakhs carries interest @ 10.10% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hyphothication of the respective vehicle.

BMW India Financial Services Limited - Vehicle Loan (secured)

The vehicle loan from BMW India Financial Services Limited outstanding as on 31st March, 2017 is Rs.22.06 lakhs (Previous year-36.60 Lakhs) It carries interest @ 09.50% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hyphothication of the respective vehicle.

Toyota Financial Services India Limited - Vehicle Loan (secured)

The vehicle loan from Toyota Financial Services India Limited outstanding as on Mar 31st, 2016 is Rs. 10.74 lakhs (Previous year-18.39 lakhs) It carries interest @ 09.60% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hyphothication of the respective vehicle.

ICICI Bank - Vehicle Loan (secured)

The vehicle loan from ICICI Bank outstanding as on March 31st, 2016 is Rs .7.38 lakhs (Previous year -Rs.10.73 Lakhs) It carries interest @ 09.52% pa.The loan is repayable in 36 equal monthly instalments from the date of disbursement. The loan is secured by the hyphothication of the respective vehicle.

Citi Bank : RupeeTerm Loan (Unsecured)

Term loan of Rs.520.00 lakhs (Outstanding) as on 31st Mar,2017 Rs.520.00 lakhs (Previous year Nil) carries interest @ 5.98% pa. (Previous year interest -NA). The term loan is unsecured and is repayable to the extent of 50% at the end of 18 months from the date of drawn down and balance 50% at the end of 36 months from the date of drawn down.

Kotak Mahindra Bank- Term Loan (Unsecured)

Rupee term loan -Unsecured of Rs.900.00 lakhs A/c No.00210310005349 (outstanding) as on Mar 31st 2017-Rs.596.00 lakhs (Previous year Rs. 570 Lakhs) carries interest @ 9.50% pa.(Previous year interest-NA).Term loans have been drawn in multiple tranches and repayble in 18 equal quarterly instalments commencing from six months from the date of first disbursement.

Yes Bank : RupeeTerm Loan (Unsecured)

a)Term loan of Rs.375 lakhs (Outstanding) as on 31st Mar,2017 Rs.375lakhs (Previous year Rs.Nil) carries interest @ 9.1% pa. (Previous year interest -NA). The term loan is unsecured and is repayable Post Moratorium in 16 structured quarterly instalments commencing from 1st January 2018 .

b) Rupee Term loan of Rs.1500.00 lakhs A/c No. 0006813000000622 (Outstanding) as on 31st Mar,2016 Rs.Nill lakhs (Previous year Rs.1500.00) carries interest @ 10.75% pa. (Previous year interest -NA). The term loan is unsecured and is repayable in 6 equal quarterly instalments commencing from six months from the date of disbursement. They are secured by the personal guarantee of the Managing Director and two other whole time Directors of the company.The term loan has been fully repaid in FY:2015-16

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

11 (b) Current borrowings

	Maturity Date	Terms of repayment	Coupon/interest rate	31 March 2017	31 March 2016	1 April 2015
Loan repayable on demand						
Unsecured						
Working Capital Loan from Banks - Cash Credit	Payable on demand	Payable on demand	HDFC Bank Base Rate +0.25%	-	69	1,420
Working Capital Loan from Banks - Over Draft	Payable on demand	Payable on demand	HDFC Bank Base Rate +0.25%	828		
Short Term						
From Banks - Citi	Payable on demand	Payable on demand	5.90% to 6.15%	3,000	-	-
From Banks - Kotak	Payable on demand	Payable on demand	9.50%	-	4,102	-
Total Current Borrowings				**3,828**	**4,171**	**1,420**
Less: Interest accrued				-	2	-
Current borrowings (as per balance sheet)				**3,828**	**4,169**	**1,420**

Maturity date, terms of repayment and interest rate on above loans

a) The Working capital facility (overdraft) availed during FY 2016-17 from HDFC Bank, is renewable annually is unsecured in nature. The company has availed Working capital facility agregating to Rs.4400 lakhs with a sub limit of non fund limits of LC/BG of Rs.400 lakhs. The rate of interest on cash credit facility from HDFC Bank is 0.25% above base rate. The outstanding liability of overdraft as on 31st March, 2017 is 828 Lakhs. (previous year Rs.69 lakhs)

b) The short term loan from Citi Bank (3000 Lakhs) is unsecured. The rate of interest on the said loan is 5.90% to 6.15% pa.) (previous year-NA).

c) The short term loan from Kotak Mahindra Bank Limited for the FY 2015-16 was Rs. 4100 Lakhs and unsecured in nature. The rate of interest on the said loan for preivous year :9.50% pa.) The short tem loan has been

Secured borrowings and assets pledged as security

Indian Rupee Loan 1 is secured by first charge on property, plant and equipment of the Company.
Indian Rupee Loan 2 is secured by first charge on property, plant and equipment of the Company and personal guarantee of the Managing Director and three other whole-time Directors of the Group.
Vehicle loans from banks are secured by first charge on the respective vehicles.
The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 39.

Note 11 (c): Other financial liabilities

	31 March 2017		31 March 2016		1 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Current Maturities of Long Term Borrowings (Refer note. 11 (b))	210	-	425	-	1,278	-
Interest accrued but not due -Refer note 11(a) and 11(b)	22	-	2	-	-	-
Employee related payables	706	-	389	-	339	-
Security deposits	936	-	743	-	623	-
Capital Creditors	1,612	-	876	-	75	-
Other payables	78	-	75	-	84	-
Total	**3,563**	**-**	**2,510**	**-**	**2,398**	**-**

Note 12: Trade payables

	31 March 2017	31 March 2016	1 April 2015
Current			
Trade payables	3,572	2,797	4,903
Trade payables to related parties (note 33(i))	260	387	306
Total	**3,832**	**3,185**	**5,208**

Note 13: Employee benefit obligations

		31 March 2017		31 March 2016		1 April 2015	
		Current	Non-current	Current	Non-current	Current	Non-current
Provision for Leave Encashment		19	48	10	27	10	24
Provision for Gratuity		14	117	9	58	8	22
Provision for Compensated Absence		1	20	-	12	-	11
Total	-	**34**	**185**	**19**	**97**	**17**	**56**

(i) Leave obligations

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet (All amounts in INR Lakhs, unless otherwise stated)

The amount of the provision of Rs. 18.68 Lakhs (31 March 2016 Rs. 10 Lakhs, 1 April 2015 Rs. 10 Lakhs) towards earned leaves is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be take nor paid within the next 12 months.

	31 March 2017	31 March 2016	1 April 2015
Current leave obligations expected to be settled within the next 12 months	19	10	10

Balance sheet amounts- Leave obligations
The amounts recognised in the balance sheet and the movements in the obligation over the year are as follows:

Leave Encashment

	31 March 2016
1 April, 2015	**33**
Interest Cost	3
Current Service Cost	2
Total amount recognised in profit or loss	**4**
Remeasurements	
Experience (gains)/losses	(0)
Total amount recognised in other comprehensive income	**(0)**
31 March, 2016	**37**
31 March, 2016	**37**

	31 March 2017
1 April, 2016	**37**
Interest Cost	3
Current Service Cost	20
Total amount recognised in profit or loss	**23**
Remeasurements	
Experience (gains)/losses	7
Total amount recognised in other comprehensive income	7
31 March, 2017	**67**
31 March, 2017	

The net liability disclosed above relates to an unfunded plan.

Compensated absences

	31 March 2016
1 April, 2015	**11**
Interest Cost	1
Current Service Cost	0
Total amount recognised in profit or loss	**1**
Remeasurements	
Experience (gains)/losses	(0)
Total amount recognised in other comprehensive income	**(0)**
31 March, 2016	**12**

	31 March 2017
1 April, 2016	12
Interest Cost	1
Current Service Cost	3
Total amount recognised in profit or loss	**4**
Remeasurements	
Experience (gains)/losses	6
Total amount recognised in other comprehensive income	**6**
31 March, 2017	**21**

The net liability disclosed above relates to an unfunded plan.

(ii) Post-employment obligations
Gratuity
The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, managed by a trust set up by the Company. The group makes contributions to Life Insurance Corporation of India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet (All amounts in INR Lakhs, unless otherwise stated)

Defined Contribution Plans
The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 189.95 Lakhs (31 March, 2016-Rs. 115 Lakhs).

Group makes annual contribution to the super annuation fund for the whole time directors, managed by Life Insurance Corporation of India (LIC). Upon retirement/ resignation of the whole time director, LIC shall make the pension/commuted amount payment to the employee based on the employee corpus with LIC and the group shall not be liable for any kind or charge/interest to the employee. The expense recognised during the period towards super annuation fund is Rs. 0.87 Lakhs(31 March, 2016-Rs. 0.73 Lakhs).

Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

				31 March 2016		
				Present value of obligation	**Fair value of plan assets**	**Net amount**
1 April, 2015				**196**	**(167)**	**29**
Interest Cost				16	-	**16**
Current Service Cost				17	-	**17**
Interest expense/(income)				-	(13)	**(13)**
Total amount recognised in profit or loss				**33**	**(13)**	**20**
Remeasurements						
Return on plan assets, excluding amounts included in interest				-	-	-
(Gain)/loss from change in demographic assumptions				-	-	-
(Gain)/loss from change in financial assumptions				-	-	-
Experience (gains)/losses				38	-	**38**
Total amount recognised in other comprehensive income	-	-	-	**38**	-	**38**
Employer contributions					(19)	**(19)**
Benefit payments				(16)	16	-
31 March, 2016	-	-	-	**252**	**(184)**	**68**

	31 March 2017		
	Present value of obligation	**Fair value of plan assets**	**Net amount**
1 April, 2016	**252**	**(184)**	**68**
Interest Cost	20	-	**20**
Current Service Cost	30	-	**30**
Interest expense/(income)	-	(15)	**(15)**
Total amount recognised in profit or loss	**51**	**(15)**	**35**
Remeasurements			
Return on plan assets, excluding amounts included in interest	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	92	-	**92**
Total amount recognised in other comprehensive income	**92**	-	**92**
Employer contributions		(65)	**(65)**
Benefit payments	(15)	15	-
31 March, 2017	**380**	**(249)**	**130**

(iii) Significant estimates: actuarial assumptions and sensitivity
The significant actuarial assumptions for defined benefit obligation are as follows:

	31 March 2017	**31 March 2016**	**1 Apri, 2015**
Discount rate	8%	8%	8%
Salary escalation rate	5%	5%	5%
Employee attrition rate	5%	5%	5%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM 2006-08	IALM 2006-08	IALM 2006-08

(iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption			Impact on defined benefit obligation				
				Increase in assumption			Decrease in assumption	
	31 March 2017	31 March 2016		31 March 2017	31 March 2016		31 March 2017	31 March 2016
Discount rate	1%	1%	Decrease by	40	29	Increase by	47	34
Salary escalation rate	1%	1%	Increase by	46	36	Decrease by	39	30
Employee attrition rate	1%	1%	Decrease by	40	29	Increase by	47	34

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) The major categories of plan assets are as follows

	31 March 2017	31 March 2016	1 Apri, 2015
Funds managed by Life Insurance Corporation of India under the "Group Gratuity Scheme"	249	184	167
Total	**249**	**184**	**167**

(vi) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatily: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The group's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plan assets.

The group ensures that the investment positions are managed within an asset-liability matching framework wherein the objective is to match assets to the defined benefit obligations by investing in insurer managed funds with maturities that match the benefit payments as they fall due.

(vii) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2017 are Rs. 380 lakhs

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March, 2017					
Gratuity	21	60	254	44	380
Total	**21**	**60**	**254**	**44**	**380**
31 March, 2016					
Gratuity	12	47	163	30	251
Total	**12**	**47**	**163**	**30**	**251**
1 April, 2015					
Gratuity	32	23	119	22	197
Total	**32**	**23**	**119**	**22**	**197**

Note 14: Deferred tax liabilities
The balance comprises temporary difference attributable to:

	31 March 2017	31 March 2016	1 April 2015
Property, plant and equipment	936	487	379
Set off of deferred tax asset			
Indexation benefit on freehold land	(262)	(242)	(212)
Employee benefit obligations	(111)	(65)	(41)
provision for Doubtful debts & advances	(40)	-	-
Provision for Expected Credit Loss	(16)	-	-
provison for Non-moving Stocks	(3)	-	-
Net deferred tax liabilities	**503**	**181**	**126**

Creamline Dairy Products Limited
Notes to Consolidated Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Expected credit Loss	Non-Moving Stocks	Indexation benefit on freehold land	Doubtful debts & Advances	Employee benefit obligations	Total
At 1 April, 2015	379	-	-	(212)	-	(41)	126
Charged/(credited)							
-to profit or loss	108	-	-	(30)	-	(11)	68
-to other comprehensive income	-	-	-	-	-	(13)	(13)
At 31 March 2016	**487**	**-**	**-**	**(242)**	**-**	**(65)**	**181**
At 1 April, 2016	487	-	-	(242)	-	(65)	181
Charged/(credited)							
-to profit or loss	448	(16)	(3)	(20)	(40)	(10)	358
-to other comprehensive income	-	-		-	-	(36)	(36)
At 31 March 2017	**936**	**(16)**	**(3)**	**(262)**	**(40)**	**(111)**	**503**

Note 15: Current tax liabilities

	31 March 2017	31 March 2016
Opening balance payable/(refund receivable)	285	(44)
Add: Current tax payable for the year	1,300	1,410
Less: Taxes paid	1,638	1,081
Closing balance payable/(refund receivable)	**(53)**	**285**

Note 16: Government grants

	31 March 2017	31 March 2016
Opening Balance	240	377
Less: Released to profit or loss	35	137
Closing Balance *	**205**	**240**

Refer Note 19 (b) (i) for the details of the grant.

	31 March 2017	31 March 2016	1 April 2015
Current portion	6	35	137
Non-current portion	198	205	240
Closing Balance	**205**	**240**	**377**

Note 17: Other current liabilities

	31 March 2017	31 March 2016	1 April 2015
Advances from customers	89	185	186
Statutory dues payable	198	105	61
Others	10	-	-
Total	**297**	**291**	**247**

Creamline Dairy Products Limited
Notes to consolidated statement of profit and loss

(All amounts in INR Lakhs, unless otherwise stated)

Note 18: Revenue from operations

	31 March 2017	31 March 2016
Sale of products (including excise duty)	1,00,825	92,415
Other operating revenue		
Sale of Power	119	11
Conversion,Handling and Storage Charges	6	285
Scrap Sales	41	35
Total revenue	**1,00,992**	**92,746**

Note 19: Other income and other gains/ (losses)
(a) Other income

	Notes	31 March 2017	31 March 2016
Interest income			
Interest - Cattle Loan		17	16
Interest - Bank & Others		376	81
Dividend income from investments mandatorily measured at fair value through profit or loss		-	2
Government grants (Refer note (i) below)		35	137
Miscellaneous income		166	50
Total other income		**594**	**285**

(b) Other gains/(losses)

	Notes	31 March 2017	31 March 2016
Net gain on disposal of property, plant and equipment		-	4
Net gain on financial assets mandatorily measured at fair value through profit or loss		-	99
Net gain on sale of investments		266	-
Total		**266**	**103**

Note (i): Government grants relate to capital investments in property, plant and equipment for creation of cold chain projects. The Investment Subsidies (non-refundable) received from Government in lieu of promoters contribution are treated as " Government Grants". Subsidies received towards acquisition of assets are treated as Government grants and the amount in proportion to the depreciation is transferred to statement of Profit and Loss.
There are no unfulfilled conditions or other contingencies attaching to these grants. The group did not benefit directly from any other forms of government assistance.

Note 20 (a): Cost of materials consumed

	31 March 2017	31 March 2016
Raw material		
Inventory at the beginning of the year	2,250	3,237
Add: Purchases	79,341	68,594
Less: Raw material at the end of the year	3,393	2,250
Consumption of Raw Materials	**78,198**	**69,581**
Packing Material		
Inventory at the beginning of the year	335	366
Add: Purchases	3,552	2,956
Less: Packing material at the end of the year	504	335
Consumption of Packing Materials	**3,383**	**2,987**
Total cost of material consumed	**81,582**	**72,568**

Note 20 (b) Changes in inventories of work-in-progress, stock-in-trade and finished goods

Finished goods	31 March 2017	31 March 2016
Opening balance		
Work-in-process	214	347
Finished goods	3,880	5,397
Total opening balance	**4,094**	**5,745**
Closing balance		
Work-in-process	543	214
Finished goods	5,231	3,880
Total closing balance	**5,774**	**4,094**
Total changes in inventories of work-in-process and finished goods	**(1,681)**	**1,651**

Note 21: Employee benefit expense

	Notes	31 March 2017	31 March 2016
Salaries, wages and bonus		4,188	3,074
Contribution to provident and other funds		307	218
Gratuity and leave compensation		78	43
Staff Welfare Expenses		154	98
Total employee benefit expense		**4,726**	**3,433**

Note 22: Depreciation and amortisation expense

	Notes	31 March 2017	31 March 2016
Depreciation of property, plant and equipment		1,364	1,101
Amortisation of intangible assets		65	95
Total depreciation and amortisation expense		**1,429**	**1,196**

Note 23: Other expenses

	31 March 2017	31 March 2016
Consumption of Consumables, Stores & spares (Refer note 23(a) below)	513	571
Power and Fuel	1,822	1,693
Carriage Inwards	130	91
Laboratory Expenses	37	29
Repairs and Maintenance:		
-Plant and Machinery	296	185
-Buildings	65	38
-Others	22	52
Factory Maintenance	155	231
Other manufacturing expenses	1,917	1,690
Travelling and conveyance	398	358
Vehicle maintenance	124	63
Printing and Stationery	64	64
Communication, Postage and Telephones	113	95
Rent	50	36
Professional and consultancy charges	286	296
Insurance	53	44
Directors Sitting Fee	2	5
Rates and Taxes	167	94
Electricity Charges	77	41
Security Charges	221	204
Office Maintanance	22	26
Payment to auditors (Refer Note 23 (b))	22	22
Bad debts written off	102	3
Sundry balances written off	(1)	16
Bank charges	60	64
Service Tax	14	9
Annual maintenance expenses	55	39
Books & Periodicals	5	6
Computer Maintenance	6	6
Membership & Subscription	6	6
Staff Recruitment expenses	10	4
Vehicle Hire charges	17	13
Allowance for doubtful debts - Debtors & Milk advances	95	37
Net loss on scrapping of property, plant and equipment	59	-
Selling Expenses	113	74
Distribution expenses	2,925	2,659
Advertisement and Sales Promotion	814	441
Corporate Social Responsibility Expense (Refer Note 23 (C))	60	21
Other expenses	88	96
Total other expenses	**10,982**	**9,422**

Note 23(a): Consumption of Consumables, Stores & spares

	31 March 2017	31 March 2016
Opening Stock	194	197
Add: Purchases	635	568
Less: Closing Stock	316	194
Consumption of Consumables, Stores & spares	**513**	**571**

Note 23(b): Details of payments to auditors

	31 March 2017	31 March 2016
Payment to auditors		
As auditor:		
Audit fee	21	21
Tax audit fee	1	1
Total payments to auditors	**22**	**22**

Note 23 (c): Corporate social responsibility expenditure

	31 March 2017	31 March 2016
Contribution to NGO	42	5
Direct contribution	18	16
Total	60	21
Amount required to be spent as per section 135 of the Act	56	43
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	60	21

Note 24: Finance costs

	31 March 2017	31 March 2016
Interest - Term loans	72	119
Interest - Working capital loans	344	146
Interest - Vehicles loans	9	9
Interest - others	25	156
Other finance charges	44	-
Interest on late payment of tax deducted at source	-	-
Less: Amounts capitalised	-	-
Finance costs expensed in profit or loss	**493**	**431**

Note 25: Income tax expense

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

(a) Amounts recognised in profit and loss:

		31 March 2017	31 March 2016
Current income tax	**(A)**	1,300	1,410
Deferred income tax liability / (asset), net			
Origination and reversal of temporary differences		358	68
Reduction in tax rate		-	-
Recognition of previously unrecognised tax losses		-	-
Deferred tax expense	**(B)**	**358**	68
Tax expense for the year	**(A+B)**	**1,658**	**1,478**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	31 March 2017	31 March 2016
Profit from continuing operations before income tax expenses	4,262	4,388
Profit from discontinuing operations before income tax expenses	-	-
	4,262	**4,388**
Tax at the Indian tax rate of 34.608% (2015-16 -34.608%)	**1,475**	**1,518**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Indexation benefit on freehold land not recorded in accounting profit	(10)	(13)
Corporate social responsibility expenditure	21	7
Donation	0.32	0.09
Penalities & interests	0.08	1
Adjustment for current tax of earlier years	220	-
Land Registration charges on slump sale acquisition	28	-
Other Items	(76)	(35)
Tax losses for which no deferred income tax was recognised	-	-
Income tax expense	**1,658**	**1,478**

Note 26(a) Amounts recognised directly in equity

	31 March 2017	31 March 2016
Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/(credited) to equity	-	-

(b) Tax losses

	31 March 2017	31 March 2016
Unused tax losses for which no deferred tax asset has been recognised	-	-

(c) Unrecognised temporary differences

		31 March 2017	31 March 2016
Nil	-	-	-

Creamline Dairy Products Limited
Notes to the consolidated financial statements

Background
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 of milk products. The Company is also engaed in generation of power through renewable energey sources.

Note 1: Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Creamline Dairy Products Limited (the 'Company') and 'Nagavalli Milkline Private Limited' (the 'Subsidiary), hereinafter referred together as the 'Group'.

1.1 Basis of preparation
(i) Compliance with Ind AS
The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer Note 47(a) for an explanation of how the transition from previous GAAP to Ind AS has effected the Group's financial position, financial performance and cash flows.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
-certain financial assets and liabilities; and
-defined benefit plans- plan assets measured at fair value

1.1(a) Changes in Accounting Policy
The Company has changed its inventory valuation method in respect of Raw Materials, Work in process and finished goods from FIFO basis to moving weighted average method. Management reiterates that this change will result in more appropriate valuation of inventory representative of the consumption and dispatch pattern of these goods. The management has assessed the impact of this change on the current year and each prior period presented to be immaterial and hence, no adjustment needs to be made to the financial statement line items of these periods.

1.2 Principles of consolidation
Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to,variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.
The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

1.3 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The Chief Executive Officer of the Group has been identified as the chief operatin decision maker. Refer Note 30 for the segment information presented.

1.4 Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of its primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees (INR), which is Creamline Dairy Products Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

1.5 Revenue recognition
a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.
b) Revenue from operations includes revenue from sale of products, services, to all manufacturing and other operating revenue.
c) **Revenue from sales of products**: Revenue from sale of products is recognized when all the significant risks and rewards of ownership of products have been passed to the buyer, usually on delivery of the products. The revenue from sale of products is net off returns and value added taxes and inclusive of excise duty.

Recognising revenue from major business activities

Sale of goods- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
(i) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
(ii) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(iii) the amount of revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Measurement of revenue: Certain products are sold with volume discounts and cash discounts. Revenue from sales is based on the price specified in the sales contracts,net of the estimated discounts at the time of sale. Accumulated experience is used to estimate and provide for the discounts. No element of financing is deemed present as the sales are made with a credit term on an average of 3 to 4 days, which is consistent with market practice.

(d) Sale of power- Revenue from the sale of power is recognised when a Group entity sells the power to the customer.

Measurement of revenue: Revenue from sale of power is based on the price specified in the sales contracts. No element of financing is deemed present as the sales are made with a credit term on an average of 30 to 90 days, which is consistent with market practice.

(e) Interest income: Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(f) Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

1.6 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.

1.7 Taxes on income:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of asessments/appeals. 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 provisons where applicable.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where the Group is able to control the timing ofthe reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

1.8 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments madeunder operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

1.9 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 acquistion 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 acquistion 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 a subsidiary 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.

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.
The difference, if any, between the amount recorded as share capital issued plus any additonal consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

1.10 Impairment of assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.11 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.

1.12 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.Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively.

1.13 Inventories
Raw materials and stores, work in progress and finished goods
Inventories are valued at lower of cost and net reliazable value. The cost of Finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Particulars	Valuation	Method
Raw Materials	Cost or net realizable value whichever is lower	Cost has been ascertained on Moving Weighted average
Finished Goods	Cost or net realizable value whichever is lower	Cost has been ascertained on Moving Weighted average
Stores, Spares and Consumables	At cost	Cost has been ascertained on Moving Weighted average
Working in Progress	Cost or net realizable value whichever is lower	Cost has been ascertained on Moving Weighted average
Packing Material	At cost	Cost has been ascertained on Moving Weighted average

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
The Company has changed its inventory valuation method in respect of Raw Materials, Work in process and finished goods from FIFO basis to moving weighted average method. Management reiterates that this change will result in more appropriate valuation of inventory representative of the consumption and dispatch pattern of these goods. The management has assessed the impact of this change on the current year and each prior period presented to be immaterial and hence, no adjustment needs to be made to the financial statement line items of these periods.

1.14 Investments and other financial assets
(i) Financial assets:
Initial recognistion and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Measurement
At initial recognition,the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:
- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Since the outstanding amounts as at reporting date is significantly low the affect of amortisation under the effetive interest rate method is considered to be immaterial.

-**Fair value through other comprehensive income (FVOCI)**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fairvalue through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

-**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit and loss.

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fairvalue.

(iii) 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. Note 28 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.

(iv) Derecognition of financial assets
A financial asset is derecognised only when
- the group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition
<u>Interest income</u>
Interest income from financial instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flowsby considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Since the outstanding amounts as at reporting date is significantly low the affect of amortisation under the effetive interest rate method is considered to be immaterial.

<u>Dividends</u>
Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

Financial liabilities
Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attibutable transaction costs.

The group's financial liabilities include trade payables, loans and borrowings including bank overdrafts.

Subsequent measurement
Financial liabilities are measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
Financial liabilities designeated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in the Ind As 109 are satisfied.

Derecognition
A financial liability is dereocgnised when the obligation under the liability is discharged ro cancelled or expires.

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

1.16 Property,plant and equipment
Property, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebate), borrowing cost if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
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.
Transition to Ind AS
On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.
Depreciation methods, estimated useful lives and residual value
Depreciation on tangible fixed assets is provided under the Straight-Line Method, at the rates and in the manner as prescribed under Schedule II of the Companies Act, 2013:

Freehold buildings (Factory buildings 30 Years, Others 60 Years)
Plant & machinery - 8 Years
Furniture,fittings and equipment - 10 years
Electrical Installations - 10 years
Vehicles - 8 to 10 years
Office equipment and computers - 3 to 5 years
Wind Mills & Solar Equipment - 22 years

Except in respect of the following assets where useful life is different from than those described in Schedule II
a) Crates, cans and milko testers have been depreciated @ 25% based on its estimated useful life of four years.
b) Crates, Cans and milko testers on replacement are charged to revenue.

1.17 Intangible assets
Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.
(i) Goodwill
Goodwill on acquisitions of subsidiary is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
(ii) Computer software
Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(iii) Amortisation methods and periods
Intangible assets are amortized over their respective individual estimated useful lives not exceeding four years on a straight line basis, in the manner as prescribed in the Schedule II of the Companies Act, 2013.
(iv) Transition to Ind AS
On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.18 Capital work in progress
Capital work-in-progress is recognized at cost. It comprises of fixed assets that are not yet ready for their intended use at the reporting date and capital stores issued. Gain or loss arising from de-recognition of fixed assets (tangible and intangible) are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is de-recognized.

1.19 Trade and other payables
These amounts represent liabilities for goods and services provided to the group. The amounts are unsecured and are usually paid as per mutual terms of arrangement from the date of supply. Trade and other payables are presented as current liabilities unless payment is not due within 12months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.20 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. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Since the outstanding amounts as at reporting date is low, the affect of amortisation under the effetive interest rate method is considered to be immaterial.

1.21 Borrowing Cost
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

1.22 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, provisons are discounted using a current pre-tax rate that reflects, when appropriate, the risk speciic to the laibility. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent laibility 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.

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.

1.23 Employee benefits
(i) Short-term obligations
All short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which shall fall due within twelve months of the period in which the employee renders the related services, which entitles him to avail such benefits are recognized on an un-discounted basis and charged to the statement of profit and loss.

(ii) Post- employment obligations
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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss.

The Group operates the following post-employment schemes:
(a) defined benefit plans such as gratuity and
(b) defined contribution plans such as provident fund.

Defined Benefit plan(Gratuity): The group 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 debited to Other Comprehensive Income (OCI).
The present value of the defined benefit obligation denominated in INR 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 benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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.

Leave Encashment and Compensated leave absent: Accrued liability for leave encashment and Compensated leave absent is determined on actuarial valuation basis using PUC Method.

Defined contribution plan: Retirement benefit in the form of Provident fund is a defined contribution scheme. The contributions to the Provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contribution are due. The group has no obligation, other than the contribution payable to the provident fund.

Superannuation Fund

Year-end liability for superannuation benefits to the whole time directors are provided and funded through approved funds.

(iii) Bonus plans

The group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.24 Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.25 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.26 Exceptional Items:

Certain occassions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes acgrouping to the financial statements.

1.27 Current and non-current classification:

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset as current when it is:

Expected to be realised or intended to sold or consumed in normal opertaing cycyle,

Held primarily for the purpose of trading,

Expected to be realised within tweleve months after the reporting period,

or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle,

it is held primarily for the purpose of trading,

it is due to be settled within twelve months after the reporting period,

or

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

Deferred tax assets/liabilities are classifed as non-current.

All other liabilities are classified as non-current.

1.28 Fair value measurement:

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability , or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or laibility, assuming that market participants act in their economic best interest.

1.29 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

Critical estimates and judgements

The areas involving critical estimates or judgements are:

-Estimation of defined benefit obligation - Note 13

Estimates and judgements are continually evaluated.They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Creamline Dairy Products Limited
Financial instruments and risk management
Note 27: Fair value measurements

(All amounts in INR Lakhs, unless otherwise stated)

	31 March 2017			31 March 2016			1 April 2015		
Financial instruments by category	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**	**FVPL**	**FVOCI**	**Amortised Cost**
Financial Assets									
Investments									
-Government securities	-	-	0.17	-	-	0.21		-	0.21
-Mutual Funds	-	-	-	5,199	-	-	-	-	-
Trade receivables	-	-	467	-	-	571	-	-	347
Loans	-	-	-	-	-	3,047	-	-	-
Cash and cash equivalents	-	-	1,356	-	-	954	-	-	597
Fixed deposits with maturity of more than 12 months and interest receivable	-	-	12			29	-	-	50
Security deposits	-	-	351	-	-	269	-	-	242
Other Advances	-	-	128	-	-	78			132
Total Financial Assets	**-**	**-**	**2,314**	**5,199**	**-**	**4,949**	**-**	**-**	**1,368**
Financial Liabilities									
Borrowings (long term and short term)	-	-	5,405	-	-	5,167	-	-	4,054
Security deposits	-	-	936	-	-	743	-	-	623
Trade payables	-	-	3,832	-	-	3,185		-	5,208
Capital creditors	-	-	1,612	-	-	876	-	-	75
Employee related payables			706			389			339
Other payables			78			75			84
Total Financial Liabilities	**-**	**-**	**12,568**	**-**	**-**	**10,434**	**-**	**-**	**10,383**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value- recurring fair value measurements At March 31, 2016	**Notes**	**Level 1**		**Level 2**	**Level 3**	**Total**
Financial Assets						
Financial investments at FVPL						
Mutual funds- Growth plan, Liquid Plus	5 (a)(i)	5,199		-	-	5,199
Total Financial Assets		5,199	-	-	-	5,199

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets, such as security deposits and advances, are considered to be same as their fair values. For the non-current borrowings, the carrying value is the same as the fair value at amortised cost.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The group's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determined fair value
Specific valuation techniques used to value financial instruments include the use of quoted market prices of the financial instruments for level 1.

(iii) Valuation process
The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level3 fair values. This finance team evaluates & carries out discussions of valuation process and results are held within the valuation team atleast once in three months, which is inline with group's quarterly reporting periods.

Note 28 Financial Risk Management
The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exporusre arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financials assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits, mutual funds (Liquid, Liquid plus funds) credit limits and security deposits from customers.
Liquidity Risk	Borrwoings and other liabilities	Rolling cash flow forecasts & daily cash flow requirements/revolving cash flow forecasts are on periodical basis	Working capital management through CMS. Lines of credit from multiple banks are in place to handle the working capital cycle apart from need based sourcing of short term loans from banks. The excess liquidity is channalised through liquid fund in large mutual funds/FDR's in banks.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	The Company has obtained low cost credit lines from various banks without any prepayment penality clauses. The present arrangements give the Company options to swap the said arrangement with the multiple banking arrangement on a cost effective basis in view of its strong credit rating.

The group risk management is carried out by a central treasury department under policies approved by the board of directors. Group treasury identifies and hedge financial risk in close cooperation with group's operating units.The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

Credit Risk

Credit risk arises from cash and cashequivalents, investments are carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is managed on a group basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the group assesses and manages credit risk based on internal credit rating system

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated;

- Internal Credit Rating
- External Credit Rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the the borrower in the group and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

(ii) Provision for expected credit losses
The group provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
Quality assets, low credit risk	Assets where there is low risk of default and where the counter partyhas sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Standard Assets, moderate credit risk	Assets where the probability of default is consdered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Low quality assets, high risk	Assets where ther is a high probability of default. In general, assets where contractual payments are more than 90 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter party has increased significantly though payments may not be more than 90 days past due	Life time expected credit losses	Life time expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in are payment plan with the group. The group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due or in case of specific cases of impairement. Where loans or receivables have been writtenoff, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made,these are recognised in profit or loss	Asset is Provided initially, written off subsequently		

Year Ended March 31, 2017
Expected credit losses for loans, investments, deposits and other financial assets, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying	Expected probability of	Expected credit losses	Carrying amount net of
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Investment at cost	0.17	0%	-	0.17
	Loans	-	0%	-	-
	Security Deposits and other financial assets	479	0%	-	479
Loss allowance measured at life-time expected credit losses - Financial assets for which credit risk has increased significantly and credit impaired	Other financial assets	37	0%	37	-

Year Ended March 31, 2016

Expected credit losses for loans, investments, deposits and other financial assets, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying	Expected probability of	Expected credit losses	Carrying amount net of
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Investment at cost	0.21	0%	-	0.21
	Loans	3,047	0%	-	3,047
	Security Deposits and other financial assets	347	0%	-	347
Loss allowance measured at life-time expected credit losses - Financial assets for which credit risk has increased significantly and credit impaired	Other advances	39	0%	39	-

As at April 1, 2015

Particulars	Asset Group	Estimated gross carrying	Expected probability of	Provision for impairment	Carrying amount net of
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Investment at cost	0.21	0%	-	0.21
	Loans	-	0%	-	-
	Security deposits and other advances	375	0%	-	375
Loss allowance measured at life-time expected credit losses - Financial assets for which credit risk has increased significantly and credit impaired	Other advances	26	0%	26	-

Expected credit loss for trade receivables and other financial assets under simplified approach

Reconciliation of loss allowance	Financial assets for which credit risk has increased significantly and credit-impaired	Provision for impairment for trade receivables
Loss allowance as at April 1, 2015	26	-
Change in loss allowance	13	-
Loss allowance as at March 31, 2016	39	-
Change in loss allowance	(2)	47
Loss allowance as at March 31, 2017	37	47

The maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount		
	March 31, 2017	March 31, 2016	1 April 2015
Non-current Financial Assets			
Non-current investments	0.17	0.21	0.21
Other Financial Assets	265	219	286
Financial Assets			
(i) Investments	-	5,199	-
(ii) Trade receivables	467	571	347
(iii) Cash and cash equivalents	1,356	954	597
(iv) Loans	-	3,047	-
(v) Other financial assets	226	157	138
Total of trade receivables as bifurcated below:			
Domestic (Net of ECL)			
(a) Institution & Modern Trade	353	230	154
(b) Disrtributor/ Booths & parlour	42	79	111
(c)Retail	20	248	60
(d) Government /Institution - Renewable Energy	53	14	22

Impairment

The ageing of trade receivables that were not impaired was as follows.

	March 31, 2017	March 31, 2016	1 April 2015
Neither past due nor impaired			
Past due 1–30 days	338	478	220
Past due 31–90 days	120	47	57
Past due 91–180 days	6	14	39
> 180 days	5	33	31

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.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March, 2017	31 March, 2016	1 April, 2015
Floating rate			
- Expiring within one year (Cash credit / overdraft and other facilities)	3,172	2,931	1,580
- Expiring within one year (Short Term loan and other facilities)	1,000	-	2,500
- Expiring beyond one year (bank loans)	-	-	-
Fixed rate			
- Expiring within one year (Term Loans) and other facilities)	1,125	100	-
- Expiring beyond one year (bank loans)	-	230	-

The Company is enjoying the non fund facility of Rs. 400 lakhs out of which it has availed Rs. 370 lakhs as at 31st March 2017

The bank overdraft facilities may be drawn at any time, subject to the continuance of satisfactory credit ratings.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and not discounted, and include estimated interest payments and exclude the impact of netting agreements.

(ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and not discounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows					
31 March, 2017	**Carrying amount**	**Total**	**0-6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	1,555	1,555	99	111	491	854	-
Short term loan from bank	3,828	3,828	-	3,828	-	-	-
Trade and other payables	3,832	3,832	3,832	-	-	-	-
Security deposit received	936	936	936	-	-	-	-
Capital creditors	1,612	1,612	1,612	-	-	-	-
Employee related payables	706	706	585	120	-	-	-
Other payables	78	78	78	-	-	-	-
	12,546	**12,546**	**7,142**	**4,059**	**491**	**854**	**-**

31 March 2016	Carrying amount	Contractual cash flows Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Term loans from banks	998	998	405	86	173	334	-
Short term loan from bank	4,169	4,169	-	4,169			
Trade and other payables	3,185	3,185	3,185	-	-	-	-
Security deposit received	743	743	743	-	-	-	-
Capital creditors	876	876	876	-	-	-	-
Employee related payables	389	389	317	72	-	-	-
Other payables	75	75	75	-	-	-	-
	10,434	**10,434**	**5,600**	**4,328**	**173**	**334**	**-**

1 April 2015	Carrying amount	Contractual cash flows Total	0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Term loans from banks	2,635	2,635	328	826	1,456	24	-
Short term loan from bank	1,420	1,420	1,420	-			
Trade and other payables	5,208	5,208	5,208	-	-	-	-
Security deposit received	623	623	623	-	-	-	-
Capital creditors	75	75	75	-	-	-	-
Employee related payables	339	339	283	56	-	-	-
Other payables	84	84	84	-	-	-	-
	10,383	**10,383**	**8,020**	**882**	**1,456**	**24**	**-**

Market Risk - Interest Risk

The group's main interest rate risk arises from long term borrowings with variable rates, which exposes the group to cash flow interest rate risk. The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined inInd AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Group enjoys cash credit facility from HDFC bank with sanctioned limits of Rs. 4000 Lakhs with interest of 9% which is used frequently. The outstanding amount as of 31 March 2017 is Rs. 828 Lakhs.

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2017	31 March 2016	1 April 2015
Variable rate borrowings	3,828	387	2,492
Fixed rate borrowings	1,555	4,781	1,562
Total borrowings	**5,383**	**5,167**	**4,054**

At the end of the reporting period, the group had the following variable rate borrowings outstanding:

	31 March 2017			31 March 2016			1 April 2015		
	Weighted Average Interest rate %	Balance	% of total loans	Weighted Average Interest rate %	Balance	% of total loans	Weighted Average Interest rate %	Balance	% of total loans
Financial Liabilities									
Term Loans		-		10.85	318	82%	10.85	1,073	43%
Short Term borrowings	6.03%	3,000	78%	-	-	0%		-	
Working Capital Loans	9.00%	828	22%	9.15	69	18%	9.5	1,420	57%
		3,828	**100%**		**387**	**100%**		**2,492**	**100%**

In the event of 1% increase in the interest rates of the working capital facility, the impact for FY 2016-17 would have been Rs. 38 Lakhs
An analysis by maturities is provided above. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Senstivity
The profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax		Impact on other components of Equity	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Interest rate - Increases by 100 basis points	38.28	3.87	-	-
Interest rate - Decreases by 100 basis points	38.28	3.87	-	-

Market Risk - Foreign Currency Risk
The group has no major exposure to foreign exchange in its business presently. All its business transactions are primarily in Indian Rupees.

Note 29 Capital management
(a) Risk Management

The group's objectives when managing capital are to
a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
b) maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the following debt equity ratio:
Net debt
divided by
Total equity (as shown in the balance sheet)

The Group monitors capital using Debt equity ratio, which is total debt divided by total equity.

	31 March 2017	31 March 2016	31 March 2015
Total Debt (Including current maturities of long term debt)	1,577	998	2,635
Equity	19,338	16,630	9,260
Debt Equity Ratio	0.08:1	0.06:1	0.28:1

(i) Loan covenants for Term loans
Under the terms of major borrowing facilities, the group is required to comply with the following financial covenants:

ICICI TERM LOAN - 3000 Lakhs (Secured)
Total debt/adjusted tangible networth shall not exceed 1.5 in fy 2011-12 , 1.2 in fy 2012-13 and < 1.2 from 2013-14 onwards
Total debts/net current assets shall not exceed 5 in fy 2012, 4 in 2012-13 and 2.8 from 2013-14 onwards
Dscr to be maintained at 1.2

ICICI TERM LOAN - Rs.1200 Lakhs (Secured)
Total debt/adjusted tangible networth shall not exceed 2 during the tenure of the loan

KOTAK BANK TERM LOAN -Rs.900 Lakhs (Unsecured)
Cost overruns shall be borne by the borrower.
Net debt to ebidta not to exceed 2.5x during the tenor of the term loan facility.
Godrej group to continue with minimum shareholding of 51% in the company

KOTAK BANK SHORT TERM LOAN -Rs.4100 Lakhs (Unsecured)
The borrower to get the bank's facility rated from an approved credit rating agency.
The borrower to ensure the any new lenders or currently unsecured lenders shall not get security without prior noc from the bank.
Godrej group to continue with minimum shareholding of 51% in the company
The loan has been fully repaid in October 2016.

YES BANK TERM LOAN - Rs.1500 Lakhs (Unsecured)
Borrower to undertake to maintain total debt/adjusted tnw <=0.50 x and dscr >1.5 x during the currency of facility.

CITI BANK TERM LOAN - Rs 520 Lakhs & OVERDRAFT - Rs. 4000 Lakhs (Unsecured)
DSCR>=1.25
Consolidated total debt to EBITDA <= 2.75

CITI BANK SHORT TERM LOAN - Rs 3000 Lakhs (Unsecured)

(b) Dividend

	31 March 2017	31 March 2016
(i) Equity Shares		
Final dividend for the year ended (31 March 2016 of Rs.2) per fully paid share	-	206
Interim dividend for the year ended (31 March 2016 - Rs. 3) per fully paid share	-	308

Note 30: Segment Information

(a) Description of segments and principal activities

The group's strategic steering committee, consisting of the Chief executive officer, the Chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

(b) Adjusted EBITDA

	31 March 2017	31 March 2016
i) Milk and Milk Products	6,075	6,037
ii) Power (net)	109	(22)
Total	**6,184**	**6,015**

(c) Adjusted EBITDA reconciles to profit before tax as follows:

	31 March 2017	31 March 2016
Total adjusted EBITDA	6,184	6,015
Finance costs	493	431
Depreciation	1,429	1,196
Profit before tax	**4,262**	**4,388**

d) Segment revenue

	31 March 2017	31 March 2016
i) Milk and Milk Products	1,00,873	92,735
ii) Power (net)	119	11
Total	**1,00,992**	**92,746**

e) Segment assets

	31 March 2017	31 March 2016
i) Milk and Milk Products	30,922	26,468
ii) Power	2,156	1,708
Total	**33,078**	**28,176**

f) Segment liabilities

	31 March 2017	31 March 2016
i) Milk and Milk Products	11,912	10,510
ii) Power	1,377	571
Unallocated liabilities:		
Deferred tax liability	503	181
Current Tax liability/(Asset)	(53)	285
Total	**13,740**	**11,547**

Note 31: Business Combinations

Name & Description of Acquiree	Nutramaax Food Specalities Private Limited, located in RR District,Telangana	RBS Dairy Farm, Nellai District, Tamilnadu
Nature of business	Processor of milk and milk products	Processor of milk and milk products
Date of Control	1st July 2016	1st February 2017
Type of Acquisition	Slump Sale of Assets	Slump Sale of Assets
Primary reasons for business combination	The processing facilities and chilling centers from RR district, Telangana is predominently for setup of state of art facilities for manufacture of long shelf life of products including UHT and short shelf life products through cold chain infrastructure.	As regards the acquisition of facility in VK pudur we had considered the catchment area of southern Tamilnadu & Kerala which is being presently operated upon. We have also considered this acquisition due to the available processing infrastructure at strategic locations, running operations, profitability and opportunities to expand the market in the present area of operations & contigous areas.

(a) Summary of acquisition

Details of the purchase consideration, the net assets acquired and goodwill/(Capital Reserve) are as follows:

Purchase Consideration	Location - Telangana, RR District	Location - Nellai District, Tamilnadu
Purchase consideration	**3,000**	**3,295**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Telangana, RR District	Nellai District, Tamilnadu
	Fair value	**Fair value**
Land & Building	1,738	2,382
Plant and Machinery	1,099	509
Other Assets	157	91
Vehicles	42	448
Security deposits	3	-
Net identifiable assets acquired	**3,038**	**3,430**

Calculation of Capital Reserve	Telangana, RR District	Nellai District, Tamilnadu
Consideration transferred	3,000	3,295
Less: Net identifiable assets acquired	(3,038)	(3,430)
Goodwill/(Capital Reserve)	**(38)**	**(135)**

Acquisition related cost of Rs.81.64 Lakhs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

Note 31(A): Leases taken by the Group

Leases taken by the Group	31 March 2017	31 March 2016
Operating Lease: The Group's leasing arrangements are in respect of operating leases for premises occupied by the Group. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. (Considered under Rentals Rs. 50 lakhs & other manufacturing expsenses of Rs.107 lakhs for FY 16-17) (PY Rs.36 Lakhs & Rs. 107 Lakhs respectively)	157	143
The total of future minimum lease payments under non cancellable operating leases for each of the following periods :		
Within one year	N.A	N.A.
Later than one year and not later than five years	N.A	N.A.
Later than five years	N.A	N.A.
Lease payments recognised in the Consolidated Statement of Profit & Loss for the year :	**157**	**143**

Note 31(B): Income Taxes - Current/Non Current classification

The Group has recognised the classification of income tax under non current/current based on paragraph 8.1.18 of Exposure draft of Guidance note on Division II of IndAS Schedule III to the Companies Act 2013.

Note 32: Interest in other entities

a) Subsidiaries

The Group's subsidiary as at March 31, 2017 is set out below. Unless otherwise stated, the subsidiary has share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also the place of business.

Name of the Entity	Country of incorporation	Ownership Interest held by the Group 31 March 2017	31 March 2016	1 April, 2015	Principal Activities
		%	%	%	
Nagavalli Milkline Private Limited	India	100	100	100	Investments

Creamline Dairy Products Limited
Notes to the consolidated financial statements
(All amounts in INR Lakhs, unless otherwise stated)
Note 32 (i): Related Party transactions
(a) Parent entities
The group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership Interest 31 March 2017	31 March 2016	31 March 2015
Godrej Agrovet Limited with effect from 21 December, 2015	Immediate parent entity	India	51.91%	51.91%	26%

(b) Subsidiary
Interest in subsidiary are set out in Note 31

(c) Related Party Transactions
List of related parties and description of relationship
(As identified by Management)

Whole time Directors

Mr. K. Bhasker Reddy	Managing Director – Managerial Services
Mr. M. Gangadhar	Executive Director – Managerial Services
Mr. D. Chandra Shekher Reddy	Executive Director – Managerial Services
Mr. C. BalrajGoud	Executive Director – Managerial Services

Key Management Personnel

Mr Raj Kanwar Singh	Chief Executive Officer
Mr. P. Gopala Krishnan	Chief Executive Officer (Retired from service wef 01.01.17)
Mr Kapil Sood	Chief Financial Officer
Mr S.Raghava Reddy	Company Secretary

(d) Relatives of Key management personnel

K.Sandhya	Wife of Mr. K.Bhasker Reddy
M.Krishna Chaitanya	Son of Mr. M.Gangadhar
M.Rama Kumari	Wife of Mr. M.Gangadhar
D.Deepika	Wife of Mr. D. Chandra Shekher Reddy
C.Manga Raj	Wife of Mr. C.Balraj Goud

(e) Other entities controlled by Key management personnel and their relatives
KhammamMilkline Private Limited
DhulipallaMilkline Private Limited
Mohan Milkline Private Limited
VidyaMilkline Private Limited
OngoleMilkline Private Limited
PamuruMilkline Private Limited
KavaliMilkline
PragathiMilkline
Orga Farms Private Limited
Nutramaax Food Specialities Private Limited
Asha Holdings Private Limited
PVR & PSR Enterprises
My Village Foundation

(f) Other group entities
Godrej Agrovet Limited
Godrej & Boyce manufacturing Company
Astec Life Sciences Limited
Natures Basket Limited

(g) Whole Time Directors

Key Management Personnel	31 March 2017	31 March 2016
Remuneration including Contribution P.F and Perks	353	281
Dividend	-	143
Balance outstanding - payable	72	6

(h) Transaction with related parties
The following transactions occurred with related parties:

	31 March 2017	31 March 2016
Sale and purchase of goods and services		
Purchase of goods from holding entity	481	140
Purchase of goods from entities under common control by management of holding Company	25	-
Purchases of goods from entities controlled by key management personnel	17,838	13,953
Sale of goods & services to entities controlled by key management personnel	7	-
Acquisition of assets under slump sale		
Assets acquired	3,038	-
Acquisition of assets	300	-
Other transactions		
Inventory & others	12	-
Corporate Social Responsibility	5	-
Dividend paid to Whole time directors	-	143
Dividend paid to holding entity	-	80
Remuneration paid to relatives of key management personnel		
K.Sandhya	29	22
M.Krishna Chaitanya	19	22
D.Deepika	29	22
C.Manga Raj	29	22
M.Rama Kumari	10	-
Rent paid to relatives of key management personnel		
K.Sandhya	17	11
M.Rama Kumari	16	11
D.Deepika	16	11
C.Manga Raj	16	11

(i) Outstanding balances

	31 March 2017	31 March 2016
Payable to holding entity	11	10
Payable to entities controlled by key management personnel	246	387
Payable to relatives of key management personnel	14	7
Total payables to related parties	**271**	**405**

(j) Loan to/from related parties

	31 March 2017	31 March 2016
Loan given to Astec Life Sciences Limited	-	3,000
Loan given to Natures Basket Limited	5,000	-
Loans to entities controlled by key management personnel	-	27
Interest accrued on loans	-	47
Total	**5,000**	**3,075**

The above loans to related parties has been repaid during the current year and there was no outstanding as of 31st March, 2017

(k) Transaction with Other Key Management Personnel

Other Key Management Personnel	31 March 2017	31 March 2016
Remuneration including Contribution P.F and Perks	144	104
Balance outstanding - payable	9	4

Note 33: Contingent Liabilities and Contingent Assets
Contingent liabilities to the extent not provided for
The Company does not recognise a contingent liability but disclose its existence in the financial statements

	31 March 2017	31 March 2016
Claims against the Company not Acknowledged as debts	81.84	91.39

The management of the Company confirms that there are no pending litigations agains the Company as on the financial year ended 31st March 2017 except as given below:

a) Suit was filed by Model Financial Corporation Ltd (O.S. No.479/98) for recovery of dues from Ushodaya Agro Products Ltd and Creamline Dairy Products Ltd (CDPL) as borrowers and as alleged guarantor respectively. However, in case of OS No: 479/98, the company has deposited the title deeds of land along with the buildings therein and equipments pertaining to milk chilling center located at Kothapallimitta village Chittor Dist. as security, pending final orders. CDPL has deposited Rs.47.00 lakhs as per the orders of Honourable City Civil Court, Hyderabad passed in C.M.P No.2777 of 2007 in C.M.P No.282 of 2006 in C.C.C.A no.94 of 2006 dt.14.6.2007.
The Company is also liable to pay Interest at the rate of 6% p.a. on the balance due amount of Rs. 47 Lakhs which is coming to Rs. 31.84 lakhs. The aggregate contingent liability would be Rs. 78.84 Lakhs

b) The Company has cancelled the Milk distributorhip for Hanamkonda (Warangal) due to large overdue outstanding to the extent of Rs.6.07 lakhs. Consequent to the cancellation of distributionship, the distributor filed case against the company demanding Rs.10 laksh Subseuently the company filed a counter claim and the matter is pending for listing in the Court.

c)The complainant has been filed regarding the quality of products in Consumer Court towards grievance and expenses incurred by the applicant seeking damage of Rs. 2 lakhs.
The complainant has not appeared before the forum during the last four hearings and the Company has requested the President of the Consumer Forum to dismiss the case.

d) A Complaint has been filed under FSSAI for quality of curd in Guntur on the Company and penalty of Rs 3 lakhs has been levied The Company has preferred an appeal in the Guntur sessions Court against the referred order.

Pending final judgment/stay order granted in respect of the judgment of the above cases, no provision has been made in the books of accounts in respect of all cases referred above.

Note 34: Commitments

	31 March 2017	31 March 2016
i) Estimated amount of contracts (Net of advances) remaining to be executed on capital account	2,762	241
ii) Outstanding Export obligation Under EPCG Scheme	423	387

iii) Other Commitments
The Company has imported certain capital items at concessional rates of customs duty under the Export Promotion Capital Goods Scheme (EPCG). As at the Balance Sheet date 31st March, 2017, the total Export Obligations under the EPCG Scheme is Rs.423.27 Lakhs (March 31, 2016: Rs.386.53 Lakhs) which is to be fulfilled over a period of eight years from the date of the licenses. The Company is yet to fulfill its Export Obligations and has an outstanding Export Obligation of Rs.423.27 Lakhs to be fulfilled. The import of capital equipment have been carried out against
License No.0930004831/22.04.09,with Customs duty saved Rs..20.32 lakhs,
License No.0930005915/03.06.10,with Customs duty saved Rs.13.21 lakhs
License No.0930006921/18.03.11 with Customs duty saved Rs.6.18 lakhs
License No.0930011992/04.04.16 with Customs duty saved Rs.8.14 lakhs

a) The Company had preferred an Appeal against the dis-allowance of deduction U/s 80-I of the Income Tax Act, 1961, the details of which are given below. The Appellate Tribunal Hyderabad has passed an order to, partly allow deduction under section 80-I of the Income Tax Act, in respect of Milk products manufactured. The Assessing Officer order for part refund of Income tax paid is still pending.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 1995-96	0.71	Commissioner of Income tax Appellate Tribunal
2	A.Y 1996-97	2.97	Commissioner of Income tax Appellate Tribunal
3	A.Y 1997-98	7.09	Commissioner of Income tax Appellate Tribunal
4	A.Y 1998-99	9.69	Commissioner of Income tax Appellate Tribunal
5	A.Y 1999-00	29.95	Commissioner of Income tax Appellate Tribunal
6	A.Y 2000-01	0.89	Commissioner of Income tax Appellate Tribunal

b)The Company has preferred an appeal against the disallowance of deduction U/s 32(1)(iia) of the Income Tax Act, 1961, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 2005-06	38.21	Company has preferred an appeal before Hon,ble High Court, Andhra Pradesh

Note: Against the aforesaid demand, the Company has deposited / adjusted payment aggregating to Rs.33.72 lakhs.

c**)** The Company has preferred an appeal against the dis-allowance of deduction U/s36(1)(iva) of the Income Tax Act, 1961 and other expenditure, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 2008-09	12.75	Consequential order is pending

Note: Against the aforesaid demand, the Company has deposited the entire demand of tax.

d) The Company has preferred an appeal against the dis-allowance u/s 14A & u/s.36 of the Income Tax Act, 1961 , the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	A.Y 2014-15	10.75	Appeal pending befor CIT(A)

Note: Against the aforesaid demand, the refund has adjusted (Tax Deposited)

e) The Company has preferred an appeal against levy of Sales Tax on sale of cream, the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	F.Y 2004-05	17.56	Before the Andhra Pradesh Sales Tax Appellate Tribunal

Note: Against the aforesaid demand, the Company has deposited the entire demand of tax.

f) The Company has preferred an appeal against levy of Sales Tax on sale of Flavored milk,the details of which are given below.

Slno.	Period to which The amount related to	Amount Rs. In Lakhs	Forum where Dispute is pending
1	F.Y 2005-06	8.66	Before the Andhra Pradesh High Court

Note: Against the aforesaid demand, the Company has deposited the entire demand of tax.

g) The company has received assessment orders for the F.Y.2010-11 in respect of assessment of Value Added Tax from the Assistant Commissioner (CT) . for Rs.1.08 lakhs. This pertains to disallowance of VAT input credit claimed. The company has gone on appeal and the same was remanded to assessing officer. The revision order from the assessing officer is awaited.

Year	Demand	Payment against Order	Disputed Tax
2010-11	1.08	1.08	1.08

h)The Company has filed writ petition in Telangana High Court against levy of Sales tax on sale of flavoured milk. The details of which are given below.

Year	Demand	Payment against Order	Disputed Tax
01.04.2014 to 30.06.2016	206.05	Nil	206.05

The Honurable High Court of Telangana had passed a favourable order allowing the writ petition filed by the Company.The order stating that the writ petition is allowed and impugned order is set aside only in so far as the taxing of flavoured milk @ 14.5%, the miscellaneous petitions, if any pending in this writ petition shall stand closed.

Note 35: Events occuring after the reporting period

The Board has declared the final dividend of Rs. 3/- per share for the face value of Rs. 10/- each for the financial year 2016-17 which would result in dividend outflow of Rs. 339.74 Lakhs and dividend tax of Rs. 69.16 lakhs.

Note 36: Additional information required by Schedule III

	Net Assets (total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit & loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)	Amount
Parent								
Creamline Dairy Products Limited	99%	19,146	100%	2,604	100%	(69)	100%	2,535
Subsidiaries								
Nagavalli Milkline Private Limited	1%	192	0%	(1)	-	-	0%	(1)

Note 37: Earnings per share

	31 March 2017	31 March 2016
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	22.99	27.53
From discontinued operation	-	-
Total basic earnings per share attributable to the equity holders of the company	**22.99**	**27.53**
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	22.99	27.53
From discontinued operation		-
Total diluted earnings per share attributable to the equity holders of the company	**22.99**	**27.53**
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	2,604	2,910
From discontinued operation	-	-
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	**2,604**	**2,910**
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share:		
Used in calculating basic earnings per share	2,604	2,910
Adjustments, if any	-	-
Used in calculating diluted earnings per share	**2,604**	**2,910**
Profit from discontinued operation	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**2,604**	**2,910**
(d) Weighted average number of shares used as the denominator	**No. of shares**	**No. of shares**
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,13,24,700	1,05,68,905
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	**1,13,24,700**	**1,05,68,905**

Note 38: Offsetting financial assets and financial liabilities

The following table represents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 March 2017, 31 March 2016 and 1 April 2015. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

	Effects of offseting on balance sheet			Related amounts not offset		
	Gross amounts	Gross amounts set off in balance sheet date	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
31 March 2017						
Financial assets						
Trade receivables	-	-	-			-
Total	-	-	-	-	-	-
31 March 2016						
Financial assets						
Trade receivables	-	-	-			-
Total	-	-	-	-	-	-
1 April 2015						
Financial assets						
Trade receivables	-	-	-			-
Total	-	-	-	-	-	-

Note: 39 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	March 31, 2017	March 31, 2016	1 April, 2015
Current				
Financial Assets				
First charge				
Trade receivables	5(b)	-	571	347
Non-Financial Assets				
First charge				
Inventories	9	-	6,873	9,545
Total current assets pledged as security		**-**	**7,444**	**9,892**
Non-Current				
First charge				
Property, plant and equipment (including vehicles & CWIP)	3	208	10,123	8,632
Total non-current assets pledged as security		**208**	**10,123**	**8,632**

Note 40: Consumption of Stores & Spares of Rs.512.97 lakhs during FY 2016-17 (Previous year Rs.570.96 lakhs) is after netting off Rs.18.97 lakhs during FY 2016-17 (Previous year Rs.25.73 lakhs) towards recovery of crates & Cans from transporters .

Note 41: Distribuiton expenses (including carriage outwards) incurred during FY 2016-17 of Rs. 2925.32 lakhs (Previous year Rs. 2659.86 lakhs) is after netting off Rs.6.89 lakhs during FY 2016-17 (Previous year Rs. 7.20 lakhs) towards recovery from transporters for late arrival and other applicable revenue deductions.

Note 42: Goodwill of Rs 368 lakhs represents the difference between the net assets acquired and the cost of investment in its subsidiary, Nagavalli Milkline Pvt Ltd.

Note 43: Trade Payables, Trade Receivables, Loans, Cattle loan Receivables, Financial and Non-financial assets, Financial and non financial liabilities are subject to confirmation from parties concerned and reconciliation thereof. Balance confirmations have been received from some of the parties. Where ever confirmation of balances have not been received they are subject to adjustment and reconciliation thereof. Hence the balances of Trade Payables, Trade Receivables, Loans, Cattle loan Receivables, Financial and Non-financial assets, Financial and non financial liabilities are taken on the basis of book figures.

Note 44: In the opinion of the management, the Current Assets, Financial & Non-financial Assets are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities, have been made, which is adequate and not in excess of the amount considered necessary.

Note 45: Foreign Currency Transactions:

Expenditure in Foreign Currency	31 March 2017	31 March 2016
Towards Capital Equipments & Service contracts	683	-
Travelling Expenses	-	15

Net Dividend remitted in foreign exchange	31 March 2017	31 March 2016
Period to which relates	-	Interim
Number of Non-resident shareholders	-	10
Number of equity shares held on which-dividend was due	-	8,07,500
Amount of dividend remitted in foreign exchange	-	24.22

Note 46 :Dues to micro and small enterprises
The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").
The disclosures pursuant to the said MSMED Act, to the extent the information is available with the company, are as follows:

	March 31, 2017	March 31, 2016	1 April, 2015
A Principal amount remaining unpaid	221	97	217
B Interest due thereon	-	-	-
C Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-	-
D 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
E Interest accrued and remaining unpaid	-	-	-
F 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 enterprise	-	-	-

Note 47: Specified bank notes
During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308 (E) dated March 31, 2017 on the details of Specified Bank Note (SBN) held and

transacted during the peirod from November 08, 2016 to December 30, 2016, the denomination wise SBN's and other notes as per the notification is given below as provided by the management

	Specified Bank Notes (SBN's)	Other Denominations	Total
Closing cash in hand as on November 08, 2016	118	66	184
(+) Permitted receipts	844	5,796	6,641
(-) Permitted payments	-	284	284
(-) Amount deposited in Bank	963	5,402	6,365
Closing cash in hand as on December 30, 2016	**-**	**176**	**176**

Note 48: Previous year figures are regrouped/reclassifed and rearranged wherever necessary.

As per our rerport of even date

For S.B.S. MANIAN & CO.,
Chartered Accountants
Firm Registration No: 0081655

Sd/-
CA. S.B.S.MANIAN
Partner
Membership Number: 26586

For and on behalf of the Board of Directors

Sd/-
K.Bhasker Reddy
Managing Director

Sd/-
M.Gangadhar
Executive Director

Sd/-
C.Balraj Goud
Executive Director

Sd/-
D. Chandra Shekher Reddy
Executive Director

Sd/-
Raj Kanwar Singh
Chief Executive Officer

Sd/-
Kapil Sood
Chief Financial Officer

Sd/-
S. Raghava Reddy
Company Secretary

Place: Hyderabad
Date: 8th May, 2017

Place: Hyderabad
Date: 8th May, 2017

Creamline Dairy Products Limited
Note 47(a): First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

These are the group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016, the comparative information presented in these financial statements in the preparation of an opening Ind AS balance sheet at 1 April, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IndAS.

A.1 Ind AS optional exemptions
A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective application of Ind AS 21 to business combinations
Ind AS 101 allows a first-time adopter not to apply Ind AS 21'Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree. The group has elected to apply this exemption.

A.1.3 Deemed cost
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

A.1.4 Leases
Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The group has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions
A.2.2 Estimates
An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IndAS estimates as at 1April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.
The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
Impairment of financial assets based on expected credit loss model.

Creamline Dairy Products Limited
Note 47(a): First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (1 April 2015)

	Notes to first time adoption	Previous GAAP *	Reclassification	Adjustments	Ind AS
ASSETS					
Non-current assets					
Property,plant and equipment		8,439			8,439
Capital work-in-progress		194		-	194
Goodwill		368		-	368
Other intangible assets		252		-	252
Financial assets					
Investments		0.21		-	0.21
Other financial assets		-	286		286
Other non current assets		419	(359)		60
Total non-current assets		**9,672**	**(73)**	**-**	**9,599**
Current assets					
Inventories		9,545		-	9,545
Financial assets					
Trade receivables	3	356	(9)		347
Cash and cash equivalents		597		-	597
Other financial assets		-	138		138
Current tax asset		-	44	-	44
Other current assets		886	(689)		197
Total current Assets		**11,384**	**(518)**	**-**	**10,867**
Total Assets		**21,056**	**(592)**	**-**	**20,466**
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital		1,028		-	1,028
Other equity					
Reserves & Surplus	4, 6, 2	7,731	-	501	8,232
Deferred Govt Grants		379		(379)	-
Total Equity		**9,138**	**-**	**122**	**9,260**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowing	4	1,357		(0.12)	1,357
Other Financial Liabilities		623	(623)	-	-
Employee benefit obligations		56		-	56
Deferred tax liabilities	2	378		(252)	126
Government grants		-		240	240
Total non-current liabilities		**2,414**	**(623)**	**(12)**	**1,779**
Current liabilities					
Financial liabilities					
Borrowing		1,420		-	1,420
Trade Payables		3,049	2,159	-	5,208
Other Financial Liabilities		-	2,397		2,397
Provisions	5	902	(655)	(247)	(0)
Employee benefit obligations		-	17		17
Government grants		-	-	137	137
Other current liabilities		4,133	(3,886)		247
Total current liabilities		**9,504**	**31**	**(110)**	**9,426**
Total liabilities		**11,918**	**(592)**	**(122)**	**11,206**
Total equity and liabilities		**21,056**	**(592)**	**(0)**	**20,466**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Creamline Dairy Products Limited
Note 47(a): First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliation of equity as at 31 March, 2016

	Notes to first time adoption	Previous GAAP *	Reclassification	Adjustments	Ind AS
ASSETS					
Non-current assets					
Property,plant and equipment		9,435		-	9,435
Capital work-in-progress		688		-	688
Goodwill		368		-	368
Other intangible assets		279		-	279
Financial assets					
Investments	1	0.21		-	0.21
Other financial assets		489	(270)	-	219
Other non current assets		26	164	-	190
Total non-current assets		**11,285**	**(106)**	**-**	**11,180**
Current assets					
Inventories		6,873		-	6,873
Financial assets					
Investments	1	5,100		99	5,199
Trade receivables	3	571	-	-	571
Cash and cash equivalents		885	69	-	954
Loans		4,064	(1,016)		3,048
Other financial assets		-	157	-	157
Other current assets		343	(148)		195
Total current Assets		**17,836**	**(938)**	**99**	**16,996**
Total Assets		**29,121**	**(1,044)**	**99**	**28,176**
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital		1,132		-	1,132
Other equity					
Reserves & Surplus	1, 2	15,090	2	405	15,497
Deferred Govt Grants		242	(242)		-
Total Equity		**16,464**	**(240)**	**405**	**16,630**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowing	4	571	-	-	571
Other Financial Liabilities		743	(743)	-	-
Employee benefit obligations		97		-	97
Deferred tax liabilities	2	487		(306)	181
Government grants		-	205	-	205
Total non-current liabilities		**1,898**	**(538)**	**(306)**	**1,053**
Current liabilities					
Financial liabilities					
Borrowing		4,100	69	-	4,169
Trade Payables		2,900	285	-	3,185
Other Financial Liabilities		-	2,510		2,510
Employee benefit obligations		-	19		19
Government grants		-	35	-	35
Current tax liabilities		1,397	(1,112)	-	285
Other current liabilities		2,362	(2,072)	-	290
Total current liabilities		**10,759**	**(266)**	**-**	**10,493**
Total liabilities		**12,657**	**(804)**	**(306)**	**11,546**
Total equity and liabilities		**29,121**	**(1,044)**	**99**	**28,176**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Creamline Dairy Products Limited
Note 47(a): First-time adoption of Ind AS
Transition to Ind AS

(All amounts in INR Lakhs, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended 31 March, 2016

	Notes to first time adoption	Previous GAAP *	Reclassification	Adjustments	Ind AS
Revenue from operations	7	96,005		(3,259)	92,746
Other income	1	289	(4)	-	285
Other gains/(losses)-net		-	4	99	103
Total Income		**96,294**	**-**	**(3,160)**	**93,134**
Expenses					
Costs of materials consumed		69,020	3,548	-	72,568
Changes in inventories of finished goods, work-in-progress and stock in trade		1,515	136	-	1,651
Excise duty	6	-		45	45
Employee benefit expense	8	4,288	(1,088)	233	3,433
Depreciation and amortisation expense		1,196		-	1,196
Other expenses	7	15,594	(2,597)	(3,576)	9,422
Finance costs	4	431		0.12	431
		92,044	**-**	**(3,298)**	**88,746**
Profit before tax		**4,250**		**138**	**4,388**
Income tax expense					
Current tax expense		1,410		-	1,410
Deferred tax expense	2	108		(40)	68
Total tax expense		**1,518**		**(40)**	**1,478**
Profit for the year		**2,732**		**178**	**2,910**
Other comprehensive income/(loss)	2, 8, 10	**-**		**(25)**	**(25)**
Total comprehensive income		**2,732**		**203**	**2,885**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2016 and 1 April, 2015

	Notes to first time adoption	31 March, 2016	1 April, 2015
Total equity (shareholder's funds) as per previous GAAP		16,222	8,759
Adjustments:			
Proposed dividend (net of dividend distribution tax)	6	-	247
Government Grants		2	2
Borrowings- transaction cost adjustment	4	0.12	-
Deferred tax asset on temporary differences	2	306	253
Fair valuation of investments	1	99	-
Total adjustments		**407**	**501**
Total equity as per Ind AS		**16,630**	**9,260**

Reconciliation of total comprehensive income for the year ended 31 March, 2016

	Notes to first time adoption	31 March, 2016
Profit after tax as per previous GAAP		2,732
Adjustments:		
Fair valuation of investments	1	99
Borrowings- transaction cost adjustment	4	-
Remeasurements of post-employment benefit obligations	8	38
Deferred tax credit on temporary differences (net of amounts transferred to other comprehensive income)	2	40
Total adjustments		**177**
Profit after tax as per Ind AS		**2,910**
Other comprehensive income	2, 8, 10	**(25)**
Total comprehensive income as per Ind AS		**2,885**

Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March, 2016

	Notes	Previous GAAP	Classification	Adjustments*	Ind AS
Net cash flow from operating activities		1,590	3,577	-	5,167
Net cash flow from investing activities		2,540	(7,510)	-	(4,970)
Net cash used in financing activities		(3,842)	4,003	-	161
Net increase/decrease in cash and cash equivalents		**288**	**70**	-	**358**
Cash and cash equivalents as at April 1, 2015		597	-	-	597
Cash and cash equivalents as at 31 March, 2016		**885**	**70**	**-**	**955**

* The adjustments above are on account of reclassification of the previous GAAP numbers to conform to Ind AS presentation requirements.

(All amounts in INR Lakhs, unless otherwise stated)

Note 1: Fair valuation of investments
Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in the profit or loss for the year ended 31 March 2016. This increased the retained earnings by Rs. 99 lakhs as at 31 March 2016 (1 April 2015 - Rs. NIL).

Consequent to the above, the other equity as at 31 March 2016 increased by Rs 99 lakhs (1 April, 2015 - Rs. NIL) and profit for the year ended 31 March 2016 increased by Rs. 99 Lakhs.

Note 2: Deferred tax
Under previous GAAP, deferred tax expense/credit were recognised on timing differences between book profits and taxable profits. Under Ind AS, deferred tax is required to be recognised on all temporary differences. The management has recognised deferred tax asset of Rs. 306 Lakhs (1 April, 2015- Rs. 253 Lakhs) on indexation benefit on land value and other temporary differences. The resultant deferred tax credit has been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the period and other comprehensive income for the year-ended 31 March, 2016.

Consequent to the above, the retained earnings and total equity as at 31 March, 2016 have increased by Rs.306 Lakhs (April 1, 2015: Rs. 253 Lakhs) and profit and other comprehensive income for the year-ended 31 March, 2016 increased by Rs. 40 Lakhs and Rs. 13 Lakhs, respectively.

Note 3: Trade receivables
As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. The impact on application of expected credit loss model has been estimated as not material and accordingly, no adjustment has been made on the date of transition and as at 31 March, 2016

Note 4: Borrowings
Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition.These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31 March 2016 have been reduced by Rs. NIL (1 April 2015 Rs. 0.12 Lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31 March 2016 reduced by Rs. 0.12 Lakhs as a result of the additional interest expense.

Note 5: Proposed dividend
Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 247 Lakhs (including provision for tax on dividends of Rs. 41 Lakhs) as at 1 April 2015 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 6: Excise duty
Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by Rs. 45 Lakhs. There is no impact on the total equity and profit.

Note 7: Trade Discounts
Under the previous GAAP, revenue from sale of products was presented exclusive of trade discounts and cash discounts. Under Ind AS, revenue from sale of goods is presented net of such discounts. This change has resulted in an decrease in total revenue and total expenses for the year ended 31 March 2016 by Rs. 3,304 lakhs. There is no impact on the total equity and profit.

Note 8: Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest
expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs.38 Lakhs. There is no impact on the total equity as at 31 March 2016.

Note 9: Retained earnings
Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 11: Reclassifications
The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.