

**REPORT OF THE BOARD OF DIRECTORS OF
CREAMLINE DAIRY PRODUCTS LIMITED (CDPL)**

CORPORATE IDENTITY NUMBER (CIN): U15201TG1986PLC006912

TO THE MEMBERS

Your Directors are pleased to present the 31st Board's Report of the Company along with Audited Financial Statements for the Financial Year ended March 31st, 2018.

FINANCIAL SUMMARY / HIGHLIGHTS OF THE COMPANY

The Audited Balance Sheet of your Company as at March 31st, 2018, 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:

PARTICULARS	(Rs. In Lakhs)	
	2017-18	2016-17
Sales and Other Income	116,025	101,852
Earnings before Interest, Depreciation and Tax (EBITDA)	3,513	6,184
Interest and Finance Charges	278	493
Depreciation	1,818	1,429
Profit Before Tax / Extraordinary Item(s)	1,417	4,262
Profit After Tax	929	2,604
Other Comprehensive Income	(93)	(69)
APPROPRIATIONS		
Surplus Brought forward	10,867	8,456
Amount transferred to General Reserve	--	125
Dividend	(340)	--
Taxes on dividend	(69)	--
Surplus Carried to Balance Sheet	11,294	10,867

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 2017-18 under review, your Company has achieved a Revenue of Rs. 115,766.00 lakhs as against Rs. 100,992.00 lakhs for the year 2016-17, thereby registering an annualized growth of around 14.60% over the previous year. Your Company has achieved Profit before Tax (PBT) of Rs. 1,417.00 lakhs for the Financial Year 2017-18 as against the PBT of Rs. 4,262.00 lakhs.

CURRENT OPERATIONS & FUTURE PROJECTIONS

Milk Procurement:

During the financial year 2017-18, the milk procurement increased by around 16.4% as compared to F.Y.2016-17. Milk procured during the year, is on an average was 7.39 lakhs liters per day. This is inclusive of new acquisition of RBS Dairy farm at Tirunelveli,

which procured on an average 62,733 liters per day. This means the organic growth in milk procurement excluding RBS Dairy Farm is 8.17%. i.e from 6,25,733 LPD to 6,76,864 LPD.

In milk procurement function, we have started direct linkage with farmers (milk producers) by introducing VLCC (Village level Collection Center) and paying milk purchase price to the farmers directly, through Bank into their Bank Account with the support of a software. The required software is developed and installed by M/s. Stellapps, Bengaluru. This software facilitates the company to make payment of milk purchase price to the farmers directly. During the period under review, we have established 189 VLCC.

During the year under review, the company has closed 5 milk collection centers as there are not viable and would like to consolidate the existing procurement network. We have initiated the process of analyzing the productivity output per person and per chilling center.

Marketing Front :

In the marketing front, there was an increase in Sales of both Milk as well as Value added Milk products. In value terms, the Liquid Milk sales increased by 15.7%, the Curd segment grew by 24.4%, Flavored milk by 14.3% and Paneer by 46.3%.

The Value added products constituted 23.1% in the total turnover of the Company, increasing by 1.7% as compared to 2016-17. The Company undertook several measures in maximizing the Brand Image through several ATL & BTL advertisement campaigns to obtain premium positioning.

The Company's ambition is to grow sales faster than the market with more emphasis on the Value Added product range. It is also proposed to make Jersey a preferred dairy brand amongst consumers and aggressively drive our distribution. The Company continued to support "JERSEY" Curd campaign on the promise of taste and health. It also launched the brand website www.godrejjersey.com with a consumer friendly interface to promote its products further. Going forward, the Company will be launching UHT range of products with a 360 degree media support 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.

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 2017-18 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 26th July,2018, 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. NIL, to the General Reserve in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

FIXED DEPOSITS

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

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

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

GODREJ AGROVET LIMITED (HOLDING COMPANY)

Godrej Agrovet Limited is the Holding Company of our Company which is, *inter-alia*, engaged in the business of manufacture and marketing of Animal Feeds, Agricultural Inputs and Oil Palm. The shareholding of Godrej Agrovet Limited in our Company as on 31st March, 2018 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, 2018, the Board of Directors of the Company comprises of:

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

During the year under review, the Board of Directors met 4 (Four) times, on 08th May 2017, 27th July 2017, 26th October 2017, 29th January 2018. The attendance details of Directors are mentioned below.

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

* Appointed as Director on 18th July, 2017.

** Appointed as Additional Director with effect from 29th January, 2018.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Article 105 of the Articles of Association of the Company, Mr. S Varadaraj [DIN: 00323436] and Mr. M Gangadhar [DIN: 00014325], Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 134(3)(d) of the Companies Act, 2013, disclosure is hereby given that the Company has received declaration / confirmation of independence pursuant to Section 149(6) of the said Act from Mr. Kavas Noshirwan Petigara, Mr. Jude Julius John Fernandes, and Mrs. Surekha Revalli Independent Directors of the Company.

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, 2018) and of the profit of the Company for that period (i.e., Financial Year 2017-18);
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee comprises of:

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

The Committee met 4 (four) times during the year on 08th May 2017, 27th July 2017, 26th October 2017, 29th January 2018. The attendance details of Committee Members are mentioned below.

Sl. No	Name of the Director	No of Meetings conducted during the Financial Year 2017-18	No of Meetings attended during the Financial Year 2017-18
1	Mr. Jude Julius John Fernandes	4	3
2	Mrs. Surekha Revalli	4	4
3	Mr. S. Varadaraj	4	4

CSR COMMITTEE

The Corporate Social Responsibility Committee comprises of:

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

The Committee has met 2 (Two) times during the Financial Year 2017-18 on 08th May 2017 and 29th January 2018 to discuss and review on the responsibilities conferred onto the Committee as prescribed under Section 135 of the Companies Act, 2013 and Rules thereunder. The attendance details of Committee Members are mentioned below.

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of:

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

The Committee has met 2 (Two) times during the Financial Year 2017-18, on 26th October 2017 and 29th January 2018. The attendance details of Committee Members are mentioned below.

SI No	Name of the Director	No of Meetings conducted during the Financial Year 2017-18	No of Meetings attended during the Financial Year 2017-18
1	Mr. Jude Julius John Fernandes	2	2
2	Mr. Balram Singh Yadav	2	2
3	Mrs. Surekha Revalli	2	2

MANAGEMENT COMMITTEE:

Your Board of Directors has constituted the Management Committee 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 customize different elements on the basis of need. It is also integrated with your Company's performance and talent management processes and designed to ensure sharply differentiated rewards for the best performers.

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

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

QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS:

1. Qualifications of Independent Director:

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

2. Positive Attributes of Independent Directors:

An Independent Director shall be a person who shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as

- a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;
- vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
 - vii. refrain from any action that would lead to loss of his independence;
 - viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
 - ix. assist the Company in implementing the best corporate governance practices.

3. Independence of Independent Directors:

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

Nomination and Remuneration Policy is enclosed as “ANNEXURE -II” to this Directors’ Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

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

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

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

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

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

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

During the year, the Company has allocated Rs.66.40 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.43.51 Lakh**.

Reasons for not spending total CSR Allocation : Identification process towards suitable partners for project implementation was done, however no agency was identified as per required norms of the Company.

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

RISK MANAGEMENT

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

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

The Board determines the fair and reasonable extent of principal risks that your Company is willing to take to achieve its strategic objectives. With the support of the Audit Committee, it carries out a review of the effectiveness of your Company's risk management process covering all material risks.

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

INTERNAL FINANCIAL CONTROL SYSTEMS, INTERNAL AUDIT AND THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

POLICY ON SEXUAL HARASSMENT

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

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

The Members of ICC as on March 31, 2018 are as follows:-

1. Mrs. Sanjivini Sadani - Chairperson
2. Mr. Mohit Marwaha – Member
3. Mrs. Swati Gupta – Member
4. Mr. Raghava Reddy Sadhu – Member
5. Mrs. Neera Nundy – External Member

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2017-18.

No of complaints received: Nil

No of complaints disposed off: Nil

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) has reconfirmed its eligibility to continue 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. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors on the financial statements of the Company is part of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimer given by the Auditors in their Report.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s. P S Rao & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed herewith marked as **Annexure IV** to this Report. The Secretarial Audit Report contains No observations, qualifications and hence management explanations are not required.

Cost Auditor:

As per the Ministry of Corporate Affairs (MCA) order No. GSR 425 (E) F. No. dated 30th June 2014 read with amendments dated 31st Dec, 14, the Cost Audit of **Milk Powder** Product is applicable for the year 2018-19. The Board of Directors, based on the recommendations of the Audit Committee, at their meeting held on 2nd May, 2018 appointed **M/s. S R AND ASSOCIATES**, Cost Audit Firm, as the Cost Auditor of the

company for the year 2018-19. According to the said rules, the remuneration payable to the Cost Auditor shall be approved by the Members of the Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

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

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2017-18, 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. Your Company continues to drive a strong performance based culture through a well-defined and executed performance management system.

Employee development programs in conjunction with well-known Institutions like Symbiosis, helped to improve workforce competencies and develop future leaders. To build up on this, your Company covered all Managers in 'Leadership For Peak Performance', an in-house developed program.

Your Company also launched a web platforms for the employees, which will facilitate them to complete various tasks like applying for leave, air tickets, convenience of travel, etc. on the go. Your Company also launched "Workplace", an application which allows employees to communicate online freely.

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

MANAGERIAL REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

The remuneration paid to Directors and Key Managerial Personnel and the employees of the Company during the Financial Year 2017-18 was in accordance with the Nomination and Remuneration Policy of the Company.

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

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

ACKNOWLEDGEMENT:

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

**For and On behalf of
Creamline Dairy Products Limited**



**K Bhasker Reddy
Managing Director
DIN :00014291**



**M Gangadhar
Executive Director
DIN :00014325**

Date : 02-05-2018
Place : Hyderabad



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

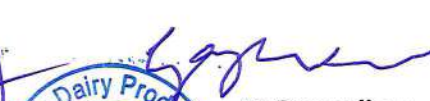
(In Rupees)

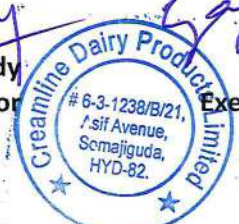
SL. No	Particulars	Details
1	Name of the subsidiary	Nagavalli Milkline Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company i.e., Financial Year 2017-18 ended 31.03.2018
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital <u>Authorized Share Capital</u> [21,50,000 Equity Shares of Rs.10/- each] <u>Issued Subscribed And Fully Paid – Up</u> [20,10,400 Equity Shares of Rs.10/- each]	2,15,00,000 2,01,04,000
5	Reserves & Surplus	(951718)
6	Total Assets	1,95,20,002
7	Total Liabilities	3,68,199
8	Investments	0
9	Turnover (Non- Operating Income)	00
10	Profit before Taxation	00
11	Provision for Taxation	00
12	Profit after Taxation	00
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**


K Bhasker Reddy
 Managing Director


M Gangadhar
 Executive Director



Date : 02/05/2018

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


K Bhasker Reddy
Managing Director


M Gangadhar
Executive Director



Date : 02/05/2018

Place : Hyderabad

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.

Jude Julius John Fernandes
Chairman NR Comiittee

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR POLICY

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

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

PROJECTS OUTLINE

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

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

2. The Composition of the CSR Committee.

1. Mr. C. Balraj Goud (Chairman)
2. Mr. Jude Julius John Fernandes (Member)
3. Mr. M. Gangadhar (Member)
4. Mr. S. Varadaraj (Member)

3. Average net profit of the company for last three financial years

The average net profit calculates to be INR 322,018,222/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The prescribed CSR Expenditure for the company is INR 6,640,364.00/-

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;

INR 6,640,364/-

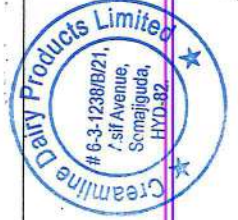
(b) Amount unspent, if any;

Rs 2,288,550.00/-

(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 the reporting period (in INR)	Amount spent direct or through the implementing agency (Amount spent; Implementing agency name; Legal structure of the agency; Date of establishment of implementing agency)
1	Veterinary camp: To ensure that Animals get Required medical care , awareness on animal Health, Proper feeding practices, Proper mulching practices	Schedule (VII) (II) Livelihood enhancement Projects	1. Local Area/Other 2. Medak, Warangal, Jangoan, Jagdevpur Nalgonda, Siddipet, Karimnagar & Nizamabad (Telangana) Visakhapatnam, W.Godavari, Srikakulam, Krishna, Guntur, Prakasham, Kadapa, Nellore & Chittoor (Andhra Pradesh) Tiruvannamalai, Vellur, Viluppuram, Kanchipuram, Nagapattinam & Krishnagiri, Tirunalvelli (Tamil Nadu) Birsi, Mohandi,Sakoli, Pouni Nilanga, Killari (Maharashtra)	32L	1. Direct Expenditure : Rs 30,18,865 2. Overheads – NIL	Rs 30,18,865	Direct
2	School infrastructure support- To support government schools to get desired infrastructure which will enhance the teaching and learning environment for teachers children in the school	Schedule (VII) (ii) Promoting Education including especial education and employment enhancing education skills especially among children, Women, Elderly and Differently abled.	1. Hyderabad ,Karimnagar (Telangana) , Vijaywada , Madanpalle (Andhra Pradesh) Chennai (Tamil Nadu)	3 L	1. Direct Expenditure: Rs 2,74,999	Rs 2,74,999	Direct



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3	Gujarat and Assam Disaster relief fund	Schedule (VII) (i) promoting health care including preventive health care. (ii) 'Sanitation and making available safe drinking water'.	1. Gujarat & Assam	Rs 4,27,577	1. Direct expenditure – Rs 4,27,577 2. Overheads - NIL	Rs 4,27,577	Implementing Agency: Sustainable Environment and Ecological Development Society- Registered Society under act of 1860
4	Godrej Global Volunteering Day- Awareness on sustainable Environment and greener planet by education school children, Planting of trees	Schedule (VII) (vi) Ensuring Environmental Sustainability	Hyderabad ,Karimnagar(Telangana) Vijaywada ,Madanpalle, Ongole(Andhra Pradesh), Manavali (Karnataka) Nagpur(Maharashtra)	1.5 L	1. Direct Expenditure: 1.2 I 2. Overheads – NIL	Rs 1,30,373	Direct
5	My Village –Model Village	Schedule (VII) (ii) Promoting Education (x) Rural development	Telangana	5L	1. Direct Expenditures- 5L 2. Overheads-Nil	Rs 5,00,000	Implementing Agency : Vande Mataram, Registered Trust, 2005
					TOTAL SPENT	Rs 43,518,14	



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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.

Identification process towards suitable partners for project implementation was done, however no agency was identified as per required norms of the Company.

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


C. Balraj Goud
Executive Director


M Gangadhar
Executive Director



Date : 02/05/2018

Place : Hyderabad

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		
SI 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			
SI. 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.PamuruMilkline Pvt. Ltd	Related Party
		5.Dhulipalia Milkline Pvt. Ltd	Related Party
		6.Vidya Milkline Pvt. Ltd	Related Party
		7.Orgaa Farms Pvt. Ltd	Related Party
		8.Kavalli Milkline	Related Party
		9.Pragathi Milkline	Related Party
		10. Godrej Agrovet Limited (GAVL)	Related Party
		11. Godrej Consumer Products Limited (GCPL)	Related Party
(b)	Nature of contracts /arrangements /transactions	Supplier of Milk on regular basis. Purchase of Cattle feed, Electronics Goods Supply.	
(c)	Duration of the contracts / arrangements/ transactions	The contracts with the parties 1-9 above are for supply of milk on a continuous basis. The contract with GAVL is for supply of Cattle feed. The contract with GCPL is for supply of Electronic Goods.	
(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 31.03.2018:	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 31.03.2018:	NIL	
3	Resource Managers		
(a)	Name(s) of the related party and nature of relationship	Mrs. .K Sandhya	Wife of Mr. K. Bhakser Reddy, Managing Director
		Mrs. M Ramakumari	Wife of Mr. M. Gangadhar, Director
		Mrs. D Deepika	Wife of Mr. D. Chandra Shekher Reddy, Director
		Mrs. C Manga Raj	Wife of Mr. C. Balraj Goud, Director
(b)	Nature of contracts /arrangements /transactions	Resource Managers appointment.	
(c)	Duration of the / arrangements/ transactions	The said personnel are appointed as Resource Managers for a period of 3 years from 01.04.2016. The appointments can be terminated on mutual consent by giving a notice of six months from either side.	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The personnel are paid a salary as per the resolutions passed by the shareholders at their AGM held on 21 st 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 31.03.2018:	NIL	
4	Inter Corporate Deposits		
(a)	Name(s) of the related party and nature of relationship	Nil	Nil
(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	NIL	
(e)	Date(s) of approval by the Board	NIL	
(f)	Amount paid as advances, and outstanding as on 31.03.2018:	NIL	

For and On behalf of
Creamline Dairy Products Limited


K Bhasker Reddy
Managing Director


M Gangadhar
Executive Director



Date : 02-05-2018

Place : Hyderabad

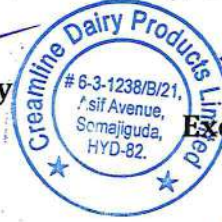
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(A) Conservation of energy -	
(i). the steps taken and impact on conservation of energy	<ul style="list-style-type: none"> ➤ The company has installed turbo Ventilators and Natural Lighting in all warehouses. ➤ Condensate recovery at Hanuman Junction plant raised FWT from 40 degrees Centigrade to 70 degrees Centigrade. ➤ Use of heat recovery form heat recharger, use of LED lamps. ➤ All these measures helped in products area helped company reduce on per unit basis by 5%.
(ii). the steps taken by the company for utilizing alternate sources of energy. (iii). the capital investment on energy conservation equipment's	<ul style="list-style-type: none"> ➤ Use of day light to ensure illumination and Turbo ventilators in the warehouses at Keshavarm, Uppal, Madanapalli. ➤ The Company has also entered into Power Purchase Agreement (PPA) with Renewable Power Generators. This shall enable company to move 2 to 5 usage to >30% of total electrical consumption in processing facility. ➤ Use of turbo Ventilators at all over warehouse at Keshavarm, Uppal, Madanapalli. ➤ Amount spent on Energy Conservation Rs. 20 lacs (Approximate).
(B) Technology absorption	
(i) the efforts made towards technology absorption	<p>Your Company has made the following efforts towards technology absorption:</p> <p>Installation of Ultra Heat Treated (UHT) Plant at Keshavaram facility. This will enable the company to strengthen its foot print in long shelf life products.</p>
(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 : Rs. 8,34,53,482.00

For and On behalf of
Creamline Dairy Products Limited


K Bhasker Reddy
Managing Director




M Gangadhar
Executive Director

Date : 02-05-2018

Place : Hyderabad.

**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	77.35%
2	Milk Products	10502,3,4,5 & 9	22.65%

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

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

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	---	2947192	2947192	26.02	---	2947192	2947192	26.02	0
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	5879008	0	5879008	51.91	5879008	0	5879008	51.91	0
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A)	5879008	2947192	8826200	77.94	5879008	2947192	8826200	77.94	0
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks / FI	---	---	---	---	---	---	---	---	---
c) Central Govt.	---	---	---	---	---	---	---	---	---
d) State Govt.(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1):-	---	---	---	---	---	---	---	---	---
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals	---	---	---	---	---	---	---	---	---
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	---	15000	15000	0.13	---	15000	15000	0.13	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	---	2483500	2483500	21.93	--	2483500	2483500	21.93	0
c) Others (specify)	---	---	---	---	---	---	---	---	---
Non Resident Indians	---	---	---	---	---	---	---	---	---
Overseas Corporate Bodies	---	---	---	---	---	---	---	---	---
Foreign Nationals	---	---	---	---	---	---	---	---	---
Clearing Members	---	---	---	---	---	---	---	---	---
Trusts	---	---	---	---	---	---	---	---	---
Foreign Bodies - D R	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	---	2498500	2498500	22.06	--	2498500	2498500	22.06	0

C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	5879008	5445692	11324700	100	5879008	5445692	11324700	100	---

B) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Godrej Agrovet Limited	5879008	51.91	---	5879008	51.91	---	0
2	Bhasker Reddy K	868500	7.67	---	868500	7.67	---	0
3	Srinath Shetkar	20000	0.18	---	20000	0.18	---	0
4	Chandra Shekher Reddy D	835292	7.38	---	835292	7.38	---	0
5	Balraj Goud C	654892	5.78	---	654892	5.78	---	0
6	Gangadhar Mandava	568508	5.02	---	568508	5.02	---	0
	TOTAL	8826200	77.94	---	8826200	77.94	---	0

C) Change in Promoters' Shareholding

SN	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	K.Bhasker Reddy				
	At the beginning of the year	868500	7.67	868500	7.67
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	868500	7.67
2	D. CHANDRA SHEKHER REDDY				
	At the beginning of the year	835292	7.38	835292	7.38
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	835292	7.38
3	SREENATH SHETKAR				
	At the beginning of the year	20000	0.18	20000	0.18
	Date wise Increase/Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	20000	0.18

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

D) Shareholding Pattern of top ten Shareholders:

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	C.Mangaraj	434208	3.83	434208	3.83
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	434208	3.83
2	K.Sandhya	290000	2.56	290000	2.56
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	290000	2.56
3	M.Rama Kumari Mandava	251208	2.22	251208	2.22
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	251208	2.22
4	M. K. Chaitanya	230892	2.04	230892	2.04
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	230892	2.04
5	M.V.Aditya	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	568508	5.02	568508	5.02
	Date wise Increase/Increase Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	--	--	568508	5.02
6	B S Yadav				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	At the end of the year				
7	S Varadaraj				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	At the end of the year				
8	JUDE JULIUS JOHN FERNANDES				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	At the end of the year				
9	Surekha Revalli				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	At the end of the year				
10	Raj Kanwar Singh – Whole- time Director & Chief Executive Officer				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	At the end of the year				
11	Govind P. Shelar – Chief Financial Officer				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	At the end of the year				
12	S. Raghava Reddy – Company Secretary				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year		Nil		
	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	64.18	3990.85	-	4055.03
ii) Interest due but not paid	00.00	00.00	-	0.0
iii) Interest accrued but not due	00.00	22.34	-	22.34
Total (i+ii+iii)	64.18	4013.19	-	4077.37
Change in Indebtedness during the financial year				
* Addition	00.00	2500.00	-	2500.00
* Reduction	46.80	990.85	-	1037.65
Net Change	22.34	1509.15	-	1531.49
Indebtedness at the end of the financial year				
i) Principal Amount	17.36	6827.60	-	6844.96
ii) Interest due but not paid	00.00	00.00	-	0.0
iii) Interest accrued but not due	00.00	5.29	-	5.29
Total (i+ii+iii)	17.36	6832.89	-	6850.25

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 2017-18 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)	Raj Kanwar Singh *	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9216604	9224020	4624020	4624020	1504025	29192689
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	879300	879300	0	0	1052373	2810973
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--	--	--
2	Stock Option	--	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--	--
4	Commission- as % of profit - others, specify.	--	--	--	--	--	--
5	Others, (Recovery)	(413556)	(411756)	(411756)	(411756)	--	(1648824)
	Total (A)	9682348	9691564	5091564	5091564	2556398	32113438

Ceiling as per the Act	As prescribed under Schedule V to the Companies Act, 2013, the ceiling based on the net worth of the company, the aggregate amount is Rs.6.00 crore.
------------------------	--

*Mr .Raj Kanwar Singh has been appointed as the Whole-time Director (WTD) w.e.f. 29-01-2018. His remuneration as WTD is for the period from 29-01-2018 to 31-03-2018.

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

SN.	Particulars of Remuneration	Name of Independent Directors			Total Amount In Rupees
		Jude Julius john Fernandes	Surekha Revalli	Kavas N. Petigara	
	Fee for attending board committee meetings	110000	120000	40000	270,000
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total	110000	120000	40000	270,000
	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	6768112	852935	2792284	10413331
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5261863	460701	926067	6648631
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit	--	--	--	--
	others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	12029975	1313636	3718351	17061962

Note : Mr. Raj Kanwar Singh, Remuneration as CEO is for the period from April, 2017 to January, 2018. W.E.F. 29-01-2018 he has been appointed as Whole-time Director.

**** 1.** Mr. Kapil sood, Remuneration as CFO is for the period from April, 2017 to October, 2017. And

2. Mr. Govind Pandurang Shelar, Remuneration as CFO is for the period from November, 2017 to March, 2018.


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					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					


NIL

For Creamline Dairy Products Limited

Date : 02-05-208
Place : Hyderabad


K. Bhasker Reddy
 Managing Director


M. Gangadhar
 Executive Director



Annexure-VIII

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

MANAGERIAL REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

Sr. No.	Particulars	Information
(i)	Name of the employee	Raj Kanwar Singh
(ii)	Designation of the employee	Whole-time Director * and Chief Executive Officer
(iii)	Remuneration received	12500000
(iv)	Nature of employment, whether contractual or otherwise	Contractual
(v)	Qualifications of the employee	IIT Bombay - Electrical, PG- FMS - Marketing
	Experience of the employee	23 Years and 6 Months
(vi)	Date of commencement of employment	9/29/2016
(vii)	Age of such employee	48 Years and 8 Months
(viii)	The last employment held by such employee before joining the company	OK Foods, Nigeria.
(ix)	The percentage of equity shares held by the employee in the company	0
(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No

Note : Mr. Raj Kanwar Singh has been appointed as the Whole-time Director. w.e.f. 29-01-2018.

**For and on behalf of
Creamline Dairy Products Limited**

Sd/-

**K Bhasker Reddy
Managing Director**

Date : 02/05/2018

Place : Hyderabad

BSR & Co. LLP

Chartered Accountants

Salarpuria Knowledge City,
Orwell, 6th Floor, Unit-3,
Sy. No. 83/1, Plot No. 2, Raidurg,
Hyderabad-500081, India.

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Independent Auditor's report

To the Members of Creamline Dairy Products Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Creamline Dairy Products Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (collectively referred to as Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.



Independent Auditor's report on standalone Ind AS financial statements (continued)

Creamline Dairy Products Limited

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 included in these standalone Ind AS financial statements have been audited by the predecessor auditor who, vide their report dated 08 May 2017 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" 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 purposes of our audit.



**Independent Auditor's report on standalone Ind AS financial statements (continued)
Creamline Dairy Products Limited**

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 33 to the standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Koosai Leheri

Partner

Membership No.: 112399

Place: Mumbai

Date: 2 May 2018

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

With reference to Annexure A referred to in the Independent Auditor's Report of even date to the members of Creamline Dairy Products Limited ('the Company') on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 2 on property, plant and equipment to the standalone Ind AS financial statements are held in the name of the Company, except for the following:

Particulars of land	Gross Block (Rs in lakhs)	Remarks
Free hold land at Uthangarai	6.50	As informed, the registration of the land is in the process

- ii. The inventory, except goods-in-transit and stock lying with the third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmation have been obtained by the Management. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('Act'). Thus, paragraph 3(iii) (a), (b) and (c) of the said Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Thus, paragraph 3(iv) of the said Order is not applicable to the Company.
- v. The Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Act and Rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



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

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Goods and Services tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues in respect of Provident fund, Employee's State Insurance, Income tax, Goods and Services tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Goods and Services tax, Service tax, Duty of customs, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Income-tax and Sales tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	22.13 (22.13)*	AY 1995-96 to 2000-01	Assessing officer
Income Tax Act, 1961	Tax	38.21 (33.72)*	AY 2005-06	High Court of Telangana and Andhra Pradesh
Income Tax Act, 1961	Tax	12.75 (12.75)*	AY 2008-09	Assessing officer
Income Tax Act, 1961	Tax	10.95 (10.05)*	AY 2014-15	The Company is in the process of filing appeal with Income Tax Appellate Tribunal
APVAT Act, 2005	Tax	20.07 (5.01)*	FY 2004-05	Sales Tax Appellate Tribunal
APVAT Act, 2005	Tax	8.66 (7.61)*	FY 2005-06	High Court of Telangana and Andhra Pradesh
APVAT Act, 2005	Tax	13.84 (1.73)*	FY 2014-16	Deputy Commissioner (Appellate)
APVAT Act, 2005	Tax	1.08 (1.08)*	FY 2010-11	Assessing Officer

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

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

Creamline Dairy Products Limited


Annexure A to the Independent Auditor's Report on standalone Ind AS financial statements (continued)

- ix. The Company has not raised any monies by way of initial public offer or further public offer (including debt instrument). In our opinion and according to the information and explanations provided to us and on the basis of our examination of the books of account, the term loans have been applied on an overall basis, for the purposes for which they have been obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the said Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Thus, paragraph 3(xiv) of the said Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the said Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3(xvi) of the said Order is not applicable to Company.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Koosai Leheri

Partner

Membership No.: 112399

Place: Mumbai

Date: 2 May 2018

Creamline Dairy Products Limited

Annexure-B to the Independent Auditor's Report on the standalone Ind AS financial statements

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Creamline Dairy Products Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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.



Creamline Dairy Products Limited

**Annexure-B to the Independent Auditor's Report on the standalone Ind AS financial statements
(continued)**

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 standalone 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

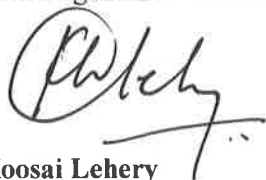
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 ICAI.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Koosai Leher

Partner

Membership No.: 112399

Place: Mumbai

Date: 2 May 2018

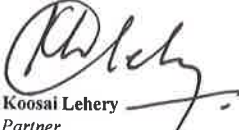
Creamline Dairy Products Limited
Standalone Balance Sheet
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	As at	
		31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	17,925.32	17,122.92
Capital work-in-progress	2	3,425.59	1,256.17
Intangible assets	3	276.35	308.31
Financial assets			
Non-current investments	4	563.08	563.08
Other financial assets	5	270.95	256.59
Non-current tax assets (net)		178.44	52.54
Other non-current assets	6	877.09	1,328.99
Total non-current assets		23,516.82	20,888.60
Current assets			
Inventories	7	13,345.07	9,986.37
Financial assets			
Trade receivables	8	879.21	470.38
Cash and cash equivalents	9	1,792.96	1,354.38
Other financial assets	10	159.79	117.61
Other current assets	11	998.91	315.60
Total current assets		17,175.94	12,244.34
Total assets		40,692.76	33,132.94
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,132.47	1,132.47
Other equity	13	18,635.61	18,208.27
Total equity		19,768.08	19,340.74
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	854.29	1,344.97
Provisions	15	290.93	185.24
Deferred tax liabilities, net	16	524.44	503.32
Deferred income	17	180.43	198.41
Total non-current liabilities		1,850.09	2,231.94
Current liabilities			
Financial liabilities			
Borrowings	18	5,500.00	3,827.90
Trade payables	19	9,924.32	3,832.03
Other financial liabilities	20	3,054.76	3,563.22
Other current liabilities	21	470.80	296.98
Deferred income	22	9.34	6.16
Provisions	23	115.37	33.97
Total current liabilities		19,074.59	11,560.26
Total liabilities		20,924.68	13,792.20
Total Equity and liabilities		40,692.76	33,132.94

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

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

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



Koosai Leherly
 Partner
 Membership No. 112399


K Bhasker Reddy
 Managing Director
 DIN: 00014291


M Gangadhar
 Executive Director
 DIN: 00014325


D. Chandra Shekher Reddy
 Executive Director
 DIN: 00063691


S. Balraj Goud
 Executive Director
 DIN: 00063719


Raj Kanwar Singh
 Chief Executive Officer


Govind P. Shelar
 Chief Financial Officer

Place: Mumbai
 Date: 2 May 2018




S Raghava Reddy
 Company Secretary

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

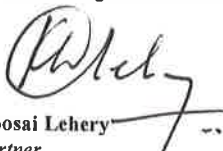
Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	24	1,15,765.55	1,00,991.70
Other income	25	259.52	860.08
Total income		1,16,025.07	1,01,851.78
Expenses			
Cost of materials consumed	26	96,272.27	81,581.61
Changes in inventories of finished goods and work-in-progress	27	(2,669.00)	(1,680.81)
Excise duty		26.08	58.63
Employee benefits expense	28	5,938.70	4,725.60
Finance costs	29	277.77	492.96
Depreciation and amortisation expense	30	1,818.18	1,429.31
Other expenses	31	12,944.14	10,981.10
Total expenses		1,14,608.14	97,588.40
Profit before tax		1,416.93	4,263.38
Tax expense:			
Current tax	39	491.87	1,098.03
Deferred tax		70.23	358.29
Earlier year tax		(74.20)	201.98
		487.90	1,658.30
Profit for the year		929.03	2,605.08
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	28	(141.90)	(105.24)
Deferred tax relating to Remeasurement	39	49.11	36.42
Total other comprehensive income for the year		(92.79)	(68.82)
Total comprehensive income for the year		836.24	2,536.26
Earnings per share			
Basic earnings per share of Rs. 10 each	32	8.20	23.00
Diluted earnings per share of Rs. 10 each	32	8.20	23.00

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

As per our report of even date attached

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

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


Koosai Leher
Partner
Membership No. 112399


K Bhasker Reddy
Managing Director
DIN: 00014291


M Gangadhar
Executive Director
DIN:00014325


D.Chandra Shekher Reddy
Executive Director
DIN: 00063691


C.Balraj Goud
Executive Director
DIN: 00063719


Raj Kanwar Singh
Chief Executive Officer


Govind P Shelar
Chief Financial Officer

Place: Mumbai
Date: 2 May 2018




S Raghava Reddy
Company Secretary

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities :		
Profit before tax	1,416.93	4,263.38
Adjustment for:		
Depreciation and amortisation expense	1,818.18	1,429.31
Loss on sale of property, plant and equipment	8.79	59.35
Profit on sale of investments (net)	(17.96)	(266.32)
Amortisation of government grants	(14.79)	(35.16)
Interest income	(14.01)	(375.73)
Finance costs	277.77	492.96
Allowances for doubtful debts and advances	133.71	95.14
Credit balances written back	(21.43)	(2.17)
Bad debts written off/(Recovered), net	(15.95)	101.76
Operating profit before working capital changes	3,571.24	5,762.52
Inventories	(3,358.71)	(3,113.55)
Trade receivables	(516.64)	(68.68)
Other non-current assets and current assets	(718.05)	27.69
Other financial Assets	(54.33)	(109.92)
Trade payables	6,113.69	649.51
Employee benefit obligations	45.19	208.19
Other financial liabilities	108.50	513.35
Other current liabilities	173.82	(6.19)
Cash generated from operations	5,364.71	3,862.92
Taxes paid (net of refunds received)	(543.55)	(1,638.00)
Net cash flow from operating activities	4,821.16	2,224.92
Cash flow from investing activities :		
Payments for property, plant and equipment	(5,182.40)	(10,440.90)
Proceeds from sale of property, plant & equipment	10.24	40.00
Sale/(Purchase) of investments	-	5,199.00
Net gain on sale of investments	17.96	266.32
Intercompany deposits (given)/received back	-	3,000.00
Interest received	11.81	368.00
Net cash used in investing activities	(5,142.39)	(1,567.58)
Cash flow from financing activities :		
Repayment of short-term borrowings	1,672.10	(341.00)
Receipt/(Repayment) of long-term borrowings	(209.77)	559.00
Finance costs	(294.82)	(473.00)
Dividend paid	(338.54)	-
Dividend tax paid	(69.16)	-
Net cash from/(used in) financing activities	759.81	(255.00)
Net increase in cash and cash equivalents	438.58	402.34
Cash and cash equivalents at the beginning of the year (refer note 9)	1,354.38	952.04
Cash and cash equivalents at the end of the year (refer note 9)	1,792.97	1,354.38

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

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

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Koosai Leheri

Partner

Membership No. 112399

for and on behalf of the Board of Directors of

Creamline Dairy Products Limited

CIN: U15201TG1986PLC006912

R. Bhasker Reddy

Managing Director

DIN: 00014291

M Gangadhar

Executive Director

DIN:00014325

D. Chandra Shelmer Reddy

Executive Director

DIN: 00063691

C. Balraj Goud

Executive Director

DIN: 00063719

Raj Kanwar Singh

Chief Executive Officer

Govind P. Shelar

Chief Financial Officer

Place: Mumbai

Date: 2 May 2018



S Raghava Reddy
Company Secretary

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

(a) Equity share capital

	As at	As at
	31 March 2018	31 March 2017
Balance at the beginning of the reporting year	1,132.47	1,132.47
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	1,132.47	1,132.47

(b) Other equity
As at 31 March 2018:

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

As at 31 March 2017:

	Retained earnings	General reserve	Securities premium	Capital reserves	Other Comprehensive Income	Total
Balance at 1 April 2016	8,483.14	1,318.72	5,720.20	1.94	(25.06)	15,498.94
Total comprehensive income for the year:	2,605.08	-	-	-	-	2,605.08
Profit for the year	-	-	-	-	(68.82)	(68.82)
Remeasurement of post-employment benefit obligations, net of tax	2,605.08	-	-	-	(68.82)	2,536.26
Total comprehensive income for the year	(125.00)	125.00	-	-	-	-
Transactions with the owners of the Company:	-	-	-	172.95	-	172.95
Transferred to general reserve	0.12	-	-	-	-	0.12
Capital reserve pursuant to business combinations (refer note 41)	-	-	-	-	-	-
Adjustment due to reversal of capitalised borrowing cost	-	-	-	-	-	-
Balance at 31 March 2017	10,963.34	1,443.72	5,720.20	174.89	(93.88)	18,208.27

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

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

(Signature)
Koosai Leheri
 Partner
 Membership No. 112399

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

(Signature)
M Gangadhar
 Executive Director
 DIN: 00014325

(Signature)
D. Chandra Shekher Reddy
 Executive Director
 DIN: 00063691

(Signature)
C. Balraj Goud
 Executive Director
 DIN: 00063719

(Signature)
Govind P. Srinagar
 Chief Financial Officer

(Signature)
Raj Kanwar Singh
 Chief Executive Officer

(Signature)
S. Raghava Reddy
 Company Secretary



Company overview:

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

1. Significant accounting policies

a) Statement of compliance

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

b) Basis of preparation

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

c) Functional and presentation currency

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

d) Key estimates and assumptions

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

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

Judgment, estimates and assumptions are required in particular for:

• **Determination of the estimated useful lives**

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

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

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

- **Recognition of deferred tax assets**

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

- **Recognition and measurement of other provisions**

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

e) Fair value measurement:

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

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

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

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

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

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

f) Current and non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

Operating cycle

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

g) Revenue

Sale of goods

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

Revenue from the sale of goods is recognized when significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfer of risk and rewards varies depending on the individual terms of sale, usually on delivery of the goods.



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

Sale of power

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

Interest income

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

Dividend income

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

h) Foreign currency

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

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

i) Employee benefits

Short-term employee benefits

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

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

Defined contribution plan

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

j) Taxes on income:

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only if:

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

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

k) Inventories

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

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

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

l) Property, plant and equipment

Recognition and measurement

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

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

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

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

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

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

Subsequent expenditure

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

Depreciation/ Amortizations

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

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

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

m) Intangible assets

Recognition and measurement

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

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

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

Amortisation

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

- Computer Software : 5 years

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

n) Borrowing Cost

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

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

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

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

o) Segment reporting

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

p) Business combinations

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

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

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

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

Defined benefit plan

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

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

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

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

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

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

Other long-term employee benefits

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

j) Taxes on income:

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

Current tax

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

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

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

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

Deferred tax

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

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

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

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

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only if:

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

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

k) Inventories

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

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

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

l) Property, plant and equipment

Recognition and measurement

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

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

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

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

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

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

Subsequent expenditure

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

Depreciation/ Amortizations

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

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

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

m) Intangible assets

Recognition and measurement

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

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

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

Amortisation

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

The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software : 5 years

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

n) Borrowing Cost

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

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

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

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

o) Segment reporting

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

p) Business combinations

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

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

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

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

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.

q) Impairment of non-financial assets

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

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

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

r) Cash and cash equivalents

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

s) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively.

t) Government grants

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

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

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

u) Leases

Finance leases

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

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

Operating leases

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

v) Financial instruments

Recognition and initial measurement

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

Classification and subsequent measurement

Financial assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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

Fair Value through Profit or Loss:

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

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

Financial liabilities

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

Financial Liabilities at FVTPL:

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

Other Financial Liabilities:

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

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

Derecognition of financial instruments

Financial assets

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

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

Financial liabilities

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

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

Impairment of financial assets

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

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

Offsetting

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



Creamline Dairy Products Limited
Note to the standalone financial statements

1. Significant accounting policies (continued)

w) Investments in subsidiaries and associates

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

x) Borrowings

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

y) Earnings per share

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

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

z) Provisions, Contingent liabilities, Contingent assets and Commitments

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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



Creamline Dairy Products Limited

Note to the standalone financial statements

1. Significant accounting policies (continued)

aa) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115, Revenue from Contracts with Customers

Initial assessment has been carried out by the Company (and effect on accounting policies etc. has been evaluated), no impact of Ind AS 115 on financial statements of the year 2017-18.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 *Revenue*, Ind AS 11 *Construction Contracts* and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. There is no impact of adoption of Ind AS 115 on the financial statements.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The Company has completed an initial assessment of the potential impact of the amendment on the financial statements. Since the foreign currency transaction are not significant to the operations of the Company, there is no impact of adoption of clarification on the financial statements.



Creamline Dairy Products Limited
Notes to the standalone financial statements
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 2 Property, Plant and Equipment

Particulars	Free hold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans & Milk-o-Testers	Wind and Solar Equipment	Computers	Total	Capital work-in-progress
As at 31 March 2018:												
Gross Block												
As at 31 March 2017	2,872.29	6,308.80	11,814.29	667.18	145.26	1,019.16	158.59	609.29	2,664.03	320.42	26,579.31	1,256.17
Additions	21.35	482.68	1,609.42	99.49	9.05	19.45	25.46	35.54	-	239.11	2,541.55	4,763.12
Adjustments	-	-	19.12	-	(0.10)	-	-	-	(19.12)	-	-	-
Disposals	-	-	(123.57)	(0.83)	-	(11.75)	-	(1.85)	-	(4.10)	(142.20)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(2,593.70)
As at 31 March 2018	2,893.64	6,791.48	13,319.26	765.84	154.21	1,026.86	184.05	642.98	2,644.91	555.43	28,978.66	3,425.59
Accumulated Depreciation												
As at 31 March 2017	-	1,038.28	6,241.92	327.86	92.77	218.82	112.80	527.96	649.91	246.07	9,456.39	-
For the period	-	198.43	1,157.26	56.21	13.76	116.72	12.74	37.58	68.07	59.35	1,720.12	-
Adjustments	-	-	(37.43)	(0.70)	(0.09)	(6.85)	-	-	37.43	(3.90)	(123.17)	-
Disposals	-	-	(109.88)	383.37	106.44	328.69	125.54	563.79	755.41	301.52	11,053.34	-
As at March 31, 2018	-	1,236.71	7,251.87	382.47	47.77	698.17	58.51	79.19	1,889.50	253.91	17,925.32	3,425.59
Net Block as at March 31, 2018	2,893.64	5,554.77	6,067.39	382.47	47.77	698.17	58.51	79.19	1,889.50	253.91	17,925.32	3,425.59
As at March 31, 2017												
Gross Block												
As at 1 April 2016	915.82	3,713.76	9,598.15	508.15	165.26	520.64	199.10	772.11	2,113.63	426.52	18,933.14	687.87
Additions	318.00	114.77	1,714.65	16.93	2.57	110.60	19.39	-	550.40	32.41	2,879.72	3,524.72
Acquisitions (refer note 41)	1,638.78	2,480.31	1,622.12	182.69	9.43	472.53	16.51	37.09	-	5.58	6,465.04	-
Disposals	(0.31)	(0.04)	(1,120.63)	(40.59)	(32.00)	(84.61)	(76.41)	(199.91)	-	(144.09)	(1,698.59)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(2,956.42)
As at March 31, 2017	2,872.29	6,308.80	11,814.29	667.18	145.26	1,019.16	158.59	609.29	2,664.03	320.42	26,579.31	1,256.17
Accumulated Depreciation												
As at 1 April 2016	-	896.87	6,345.50	321.34	110.05	239.18	179.26	699.95	549.02	350.48	9,691.65	-
For the year	-	141.42	939.17	43.72	14.02	59.33	6.58	24.25	100.89	35.12	1,364.50	-
Disposals	-	(0.01)	(1,042.75)	(37.20)	(31.30)	(79.69)	(73.04)	(196.24)	-	(139.53)	(1,599.76)	-
As at March 31, 2017	-	1,038.28	6,241.92	327.86	92.77	218.82	112.80	527.96	649.91	246.07	9,456.39	-
Net Block as at March 31, 2017	2,872.29	5,270.52	5,572.37	339.32	52.49	800.34	45.79	81.33	2,014.12	74.35	17,121.92	1,256.17

Notes:

- Refer to note 33(a)(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress includes the borrowing costs capitalised during the year Rs. 94.23 lakhs and salary and other expenses amounting to Rs. 39.16 lakhs.
- Free hold land located at Uthangarai, Tamilnadu to the extent of Rs. 6.50 lakhs is in the process of being transferred in the name of the Company.



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

Note 3 Intangible assets

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

Particulars	Computer Software	Total
As at 31 March 2017:		
Gross Block		
As at 1 April 2016	457.78	457.78
Additions	93.75	93.75
Acquisitions (refer note 41)	0.01	0.01
As at 31 March 2017	551.54	551.54
Accumulated amortisation		
As at 1 April 2016	178.42	178.42
For the year	64.81	64.81
As at 31 March 2017	243.23	243.23
Net Block as at March 31, 2017	308.31	308.31



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Note 4		
Non-current investments		
Equity investment in subsidiary		
<i>Unquoted, valued at cost</i>		
Nagavalli Milkline Private Limited 2,010,400 (previous year: 2,010,400) equity shares of Rs. 10 each, fully paid up	562.91	562.91
Other investments at cost		
<i>Unquoted (Government Securities at amortised cost)</i>		
National Savings Certificate	0.17	0.17
	<u>563.08</u>	<u>563.08</u>
Aggregate value of unquoted investments	563.08	563.08
Note 5		
Other non-current financial assets (unsecured, considered good)		
Security deposits	269.27	255.66
Fixed deposits with maturity of more than 12 months *	1.68	0.93
	<u>270.95</u>	<u>256.59</u>
*Fixed deposits with scheduled banks held as margin money towards bank guarantees.		
Note 6		
Other non-current assets (unsecured, considered good)		
Capital advances	825.49	1,302.18
Prepaid expenses	44.64	21.58
Others	6.96	5.23
	<u>877.09</u>	<u>1,328.99</u>
Note 7		
Inventories (Valued at lower of cost and net realisable value)		
Raw materials	3,998.05	3,392.56
Packing materials	473.04	503.70
Finished goods	7,860.38	5,231.19
Work-in-progress	583.10	543.29
Consumables, stores and spares	430.50	315.63
	<u>13,345.07</u>	<u>9,986.37</u>
Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is Rs. 1,177.66 lakhs (March 31, 2017 Rs. 17.97 lakhs).		
Note 8		
Trade receivables		
Gross trade receivables		
Unsecured, considered good	968.52	517.38
Unsecured, considered doubtful	161.69	78.46
	<u>1,130.21</u>	<u>595.84</u>
Loss allowance		
Unsecured, considered good	(89.31)	(47.00)
Unsecured, considered doubtful	(161.69)	(78.46)
	<u>(251.00)</u>	<u>(125.46)</u>
	<u>879.21</u>	<u>470.38</u>

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

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Note 9		
Cash and cash equivalents		
Cash on hand	338.19	379.49
Cheques on hand	75.20	-
Balance with banks		
- In current accounts	1,378.37	974.89
- Unpaid dividend accounts	1.20	-
	<u>1,792.96</u>	<u>1,354.38</u>
Cash and cash equivalents as per the cash flow statement	1,792.96	1,354.38
Note 10		
Other current financial assets (unsecured, considered good)		
Security deposits	136.22	95.17
Advances to employees	10.58	11.65
Interest receivable	12.99	10.79
	<u>159.79</u>	<u>117.61</u>
Note 11		
Other current assets (Unsecured)		
Considered good:		
Advances to suppliers	144.94	68.57
Advances to milk suppliers	163.13	116.70
Prepaid expenses	164.17	126.02
GST receivables	490.89	-
Others	35.78	4.31
	<u>998.91</u>	<u>315.60</u>
Considered doubtful:		
Advances to suppliers	9.95	-
Advances to milk suppliers	34.92	36.70
Less: Allowance for doubtful advances	(44.87)	(36.70)
	<u>-</u>	<u>-</u>
	<u>998.91</u>	<u>315.60</u>



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 12	As at	
	31 March 2018	31 March 2017
Share capital		
Authorised:		
15,000,000 (March 31, 2017 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid-up:		
11,324,700 (March 31, 2017 11,324,700) equity shares of Rs. 10/- each fully paid up	1,132.47	1,132.47
	<u>1,132.47</u>	<u>1,132.47</u>

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares :				
Outstanding at the beginning of the year	1,13,24,700	1,132.47	1,13,24,700	1,132.47
Issued during the year	-	-	-	-
Balance as at the end of the year	<u>1,13,24,700</u>	<u>1,132.47</u>	<u>1,13,24,700</u>	<u>1,132.47</u>

Terms and rights attached to equity shares:

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company:

	As at	
	31 March 2018	31 March 2017
Equity shares:		
Godrej Agrovet Limited	58,79,008	58,79,008

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	%	No. of shares	%
Equity shares:				
Godrej Agrovet Limited	58,79,008	51.91%	58,79,008	51.91%
K.Bhasker Reddy	8,68,500	7.67%	8,68,500	7.67%
D.Chandra Shekhar Reddy	8,35,292	7.38%	8,35,292	7.38%
C.Balraj Goud	6,54,892	5.78%	6,54,892	5.78%
M.Gangadhar	5,68,508	5.02%	5,68,508	5.02%



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

	As at 31 March 2018	As at 31 March 2017
Note 13		
Other equity		
Retained earnings		
Opening balance	10,963.34	8,483.14
Add: Adjustment due to reversal of capitalised borrowing cost	-	0.12
Add: Net profit for the year	929.03	2,605.08
	<u>11,892.37</u>	<u>11,088.34</u>
Appropriations:		
Transferred to general reserve	-	(125.00)
Dividend	(339.74)	-
Dividend distribution tax	(69.16)	-
Closing balance	<u>11,483.47</u>	<u>10,963.34</u>
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligation:		
Opening balance	(93.88)	(25.06)
Remeasurement during the year	(141.90)	(105.24)
Tax impact	49.11	36.42
Closing balance	<u>(186.67)</u>	<u>(93.88)</u>
General Reserve:		
Opening balance	1,443.72	1,318.72
Transferred to retained earnings during the year	-	125.00
Closing balance	<u>1,443.72</u>	<u>1,443.72</u>
Securities Premium	5,720.20	5,720.20
Capital Reserve	174.89	174.89
	<u>18,635.61</u>	<u>18,208.27</u>

General reserve

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

Securities premium

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

Retained earnings

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

Capital reserve

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

Other comprehensive income

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

Dividend

In respect of the year ended 31 March, 2018, the directors have proposed a dividend of Rs. 3 per share to be paid on fully paid shares. This equity dividend is subject to approval at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Dividend would attract dividend distribution tax when declared or paid.



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at		As at	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Note 14				
Long-term borrowings				
	Non-current		Current	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
From banks, unsecured				
Term loans				
Yes Bank	295.31	360.94	65.63	14.06
Kotak Mahindra Bank	297.78	446.67	148.89	148.89
Citi Bank	260.00	520.00	260.00	-
From banks, secured				
Vehicle loans	1.20	17.36	16.16	46.82
	854.29	1,344.97	490.68	209.77

Term loans are unsecured and other terms are given below:

Yes Bank:

Amount is repayable in 16 structured quarterly instalments commencing from January 2018 and carries the interest at MCLR currently 8.50% p.a.

Kotak Mahindra Bank

Amount is repayable in 18 structured quarterly instalments commencing from six months from the date of first disbursement i.e.30 March 2016 and carries the interest at MCLR currently 8.65% p.a.

Citi Bank

Amount is repayable in two tranches. 50% of draw down amount is repayable in 18 months from the date of draw down and balance 50% at the end of 36 months from the date of draw down. Loan carries the interest at Treasury Bill Rate + 0.19 spread p.a.

Vehicle loans:

Vehicle loans are secured by the hypothecation of the respective vehicles. All the vehicle loans are repayable in 36 equal monthly installments from the date of draw down. Interest rate is applicable in the range of 9.50% p.a. to 10.26% p.a.

	As at	
	31 March 2018	31 March 2017
Note 15		
Provisions - Non-current		
Provision for employee benefits:		
- Provision for compensated absences	134.11	68.45
- Provision for gratuity (refer note 36)	156.82	116.79
	290.93	185.24

Note 16

Deferred tax liabilities

Deferred tax liabilities (net) (refer note 39)	524.44	503.32
	524.44	503.32

Note 17

Deferred income

Non-current

Deferred Grant (Refer Note below)	180.43	198.41
	180.43	198.41

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



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Note 18		
Current borrowings		
Unsecured		
Working capital loans:		
Citi Bank	5,500.00	3,000.00
HDFC Bank	-	827.90
Total	<u>5,500.00</u>	<u>3,827.90</u>

Terms of working capital loans:

All the above loans are unsecured and repayable within one year. Interest rate applicable is in the range of 6.10% p.a. to 6.30% p.a.

Note 19

Trade payables

Trade Payables		
dues to micro and small enterprises (refer note 45)	242.48	220.65
dues to other than micro and small enterprises	4,562.02	3,197.23
Acceptances	5,119.82	414.15
	<u>9,924.32</u>	<u>3,832.03</u>

Trade payables includes payables to related parties Rs. 468.14 Lakhs (March 31, 2017 Rs. 278.67). Refer note 40.

Note 20

Other financial liabilities - Current

Current maturities of long-term debt (refer note 14)	490.68	209.77
Security deposit	1,161.16	935.71
Capital creditors	730.01	1,612.03
Employee related payables	429.31	705.72
Interest accrued but not due on borrowings	5.29	22.34
Unclaimed dividend	1.20	-
Others	237.11	77.65
	<u>3,054.76</u>	<u>3,563.22</u>

Note 21

Other current liabilities

Advances from customers	275.69	89.05
Statutory liabilities	195.11	197.82
Others	-	10.11
	<u>470.80</u>	<u>296.98</u>

Note 22

Deferred income

Current

Deferred grants (refer note 17)	9.34	6.16
	<u>9.34</u>	<u>6.16</u>

Note 23

Provisions

Current

Provision for employee benefits:

- Provision for compensated absences	46.42	19.75
- Provision for gratuity (refer note 36)	68.95	14.22
	<u>115.37</u>	<u>33.97</u>



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 24		
Revenue from operations		
Sale of products	1,15,098.88	1,00,825.49
Other operating revenue:		
Sale of power	196.97	119.03
Processing charges	30.68	6.20
Scrap sales	79.62	40.98
Sale of animal feed	359.40	-
	1,15,765.55	1,00,991.70
Note 25		
Other income		
Interest income on:		
Cattle loans	21.68	16.71
Deposits with banks and others	14.01	375.74
Amortisation of government grants (refer note 17)	14.79	35.16
Net gain on sale of investments	17.96	266.32
Provision no longer required written back	21.43	-
Bad debts recovered	15.95	4.95
Miscellaneous income	153.70	161.20
	259.52	860.08
Note 26		
Cost of materials consumed		
Raw materials:		
Material at the commencement of the year	3,392.56	2,249.67
Add : Purchases	92,755.75	79,341.10
Less: Raw material at the end of the year	3,998.05	3,392.56
	92,150.26	78,198.21
Packing materials:		
Material at the Commencement of the year	503.70	335.50
Add : Purchases	4,091.35	3,551.60
Less: Packing material at the end of the year	473.04	503.70
	4,122.01	3,383.40
	96,272.27	81,581.61
Note 27		
Changes in inventories of finished goods and work-in-progress		
At the commencement of the year		
Work-in-progress	543.29	214.07
Finished goods	5,231.19	3,879.60
	5,774.48	4,093.67
At the end of the year		
Work-in-progress	583.10	543.29
Finished goods	7,860.38	5,231.19
	8,443.48	5,774.48
	(2,669.00)	(1,680.81)



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 28		
Employee benefits expense		
Salaries, wages and bonus	5,186.28	4,233.19
Contribution to provident and other funds	327.62	260.38
Gratuity (refer note 36)	110.44	35.40
Compensated absences	42.89	43.03
Staff welfare expense	271.47	153.60
	5,938.70	4,725.60
Remeasurement of post-employment benefit obligations:		
Gratuity (refer note 36)	53.27	91.86
Compensated absences	88.63	13.38
	141.90	105.24
Note 29		
Finance costs		
Interest expense:		
Long-term loans	106.33	71.78
Short-term loans	167.30	343.65
Vehicle loans	4.08	8.59
Interest others	0.06	24.94
Other borrowing costs	-	44.00
	277.77	492.96
Note 30		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,720.12	1,364.50
Amortization of intangible assets	98.06	64.81
	1,818.18	1,429.31
Note 31		
Other expenses		
Consumption of stores and spares	606.42	512.97
Power and fuel	2,244.11	1,899.22
Rent	212.79	196.79
Rates and taxes	203.80	180.38
Repairs and maintenance:		
- Machinery	415.14	339.57
- Buildings	30.91	21.94
- Other assets	268.77	225.64
Other manufacturing expenses	2,329.68	2,028.72
Travelling and conveyance	560.68	473.48
Professional and consultancy charges	723.65	285.80
Office maintenance	26.28	21.53
Auditor's remuneration (refer note below)	27.32	21.56
Bad debts written off	0.22	99.59
Allowances for doubtful debts and advances	133.71	95.14
Loss on scrapping of property, plant and equipment	8.79	59.27
Selling and distribution and advertisement	4,310.52	3,815.87
Corporate social responsibility (refer note 44)	43.29	60.16
Miscellaneous expenses	798.06	643.47
	12,944.14	10,981.10
Note:		
Statutory audit fee	17.76	17.76
Other services	7.50	3.00
Taxation matters	-	0.80
Reimbursement of expenses	2.06	-
	27.32	21.56



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

Note 32: Earnings per share**Computation of earnings per share**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Calculation of weighted average number of equity shares:		
Basic and diluted:		
Number of equity shares outstanding at the beginning of the year	1,13,24,700	1,13,24,700
Number of shares issued during the year	-	-
Weighted average number of equity shares outstanding at the end of the year	<u>1,13,24,700</u>	<u>1,13,24,700</u>
Profit attributable to equity shareholders	929.03	2,605.08
Earnings per equity share (face value of share Rs.10 each):		
- Basic earnings per share	8.20	23.00
- Diluted earnings per share	8.20	23.00

Note 33: Contingent liabilities and commitments

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,035.72	2,762.29
(ii) Export obligation under EPGC (refer note below)	463.86	423.31
b. Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)		
(i) Income tax*	38.21	38.21
(ii) Indirect tax cases*	29.94	29.94
(iii) Other matters	154.02	96.84

* Tax paid under protest as at 31 March 2018: Rs. 35.45 lakhs (31 March 2017 - Rs. 35.45 lakhs).

Note:

Duty saved against EPGC licenses is Rs. 48.05 lakhs. The Company has made the provision of Rs. 33.73 lakhs towards expired licenses and provision for interest on these licenses amounting to Rs. 32.71 lakhs as at 31 March 2018.

Note 34: Leases

The Company has taken rental premises on cancellable operating leases. Lease rental under such cancellable leases amounting to Rs. 212.79 lakhs (31 March 2017: Rs. 196.79 lakhs) has been charged to Statement of profit and loss. There are no non-cancellable leases.

Note 35: Segment reporting

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



Note. 36 Assets and liabilities related to employee benefits

A) Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the Standalone statement of profit and loss is Rs. 258.69 lakhs (31 March 2017: Rs. 216.26 lakhs).

B) Defined benefit plan

The Company provides gratuity for its employees 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 employees' 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 and the Company makes contributions to recognized funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are charged to the Standalone statement of profit and loss.

Funding

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

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

Net defined benefit obligation as at balance sheet date:

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation	520.51	379.54
Fair value of plan assets	(294.74)	(248.53)
Net defined benefit (obligation)/assets	225.77	131.01

Movement in net defined benefit obligation and plan assets:

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

	Defined benefit obligation		Fair value of plan assets	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Opening balance	379.54	251.72	248.53	183.96
Current service cost	65.27	30.47	-	-
Past service cost	34.70	-	-	-
Interest cost (income)	30.34	20.14	19.87	15.21
Benefits paid	(39.99)	(14.65)	(39.99)	(14.65)
Contributions paid by the employer	-	-	68.95	64.01
Actuarial loss (gain) arising from:				
Demographic assumptions	44.16	-	-	-
Financial assumptions	16.97	-	-	-
Experience adjustment	(10.48)	91.86	-	-
Return on plan assets excluding interest	-	-	(2.62)	-
Closing balance	520.51	379.54	294.74	248.53

Effect of any Amendments, Curtailments and Settlements:

During the year ended 31 March 2018, there is an amendment to the benefit plan arrangement to reflect new legal requirements in the country regarding changes in ceiling limits of Gratuity. Past service cost of Rs. 34.70 lakhs has been recognised in the statement of profit and loss, due to change in gratuity ceiling limit from Rs. 10 lakhs to Rs. 20 lakhs.

Expense recognized in the Standalone statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	65.27	30.47
Past service cost	34.70	-
Net interest cost	10.47	4.93
	110.44	35.40



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

Remeasurements recognised in other comprehensive income :

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss/(gain) arising from Defined Benefit Obligation	50.65	91.86
Return on plan assets excluding interest income	2.62	-
	<u>53.27</u>	<u>91.86</u>

Plan assets:

Plan assets comprise of the following:

	As at 31 March 2018	As at 31 March 2017
Group Gratuity cum Life Assurance with LIC	294.74	248.53
Coverage of plan asset	100%	100%

Summary of actuarial assumptions:

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.50%	8.00%
Future salary growth	5.00%	5.00%
Rate of employee turnover	15.00%	5.00%
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

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

Sensitivity analysis:

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

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(21.12)	23.06	(39.54)	47.18
Future salary growth (1% movement)	22.47	(20.96)	45.99	(38.80)
Rate of employee turnover (50% of attrition rate)	(28.85)	15.58	(39.54)	47.18

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

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs. 70 lakhs (31 March 2017: Rs 70 lakhs).

Expected future cash flows:

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

Expected future benefit payments	As at 31 March 2018	As at 31 March 2017
March 31, 2019	141.42	20.92
March 31, 2020	99.39	60.11
March 31, 2021	74.00	59.46
March 31, 2022	62.69	82.33
Thereafter	384.29	156.72
	<u>761.79</u>	<u>379.54</u>

C) Other long-term employee benefits:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss.



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

Note 37: Financial instruments – Fair values**Note 37.1: Accounting classification and fair values**

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

As at 31 March 2018:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	0.17	0.17	-	-	-	-
Trade receivables	-	879.21	879.21	-	-	-	-
Cash and cash equivalents	-	1,792.96	1,792.96	-	-	-	-
Other financial assets	-	430.74	430.74	-	-	-	-
	-	3,103.08	3,103.08	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	6,354.29	6,354.29	-	-	-	-
Trade payables	-	9,924.32	9,924.32	-	-	-	-
Other financial liabilities	-	3,054.76	3,054.76	-	-	-	-
	-	19,333.37	19,333.37	-	-	-	-
As at 31 March 2017:							
As at 31 March 2017:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	0.17	0.17	-	-	-	-
Trade receivables	-	470.38	470.38	-	-	-	-
Cash and cash equivalents	-	1,354.38	1,354.38	-	-	-	-
Other financial assets	-	374.20	374.20	-	-	-	-
	-	2,199.13	2,199.13	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	5,172.87	5,172.87	-	-	-	-
Trade payables	-	3,832.03	3,832.03	-	-	-	-
Other financial liabilities	-	3,563.22	3,563.22	-	-	-	-
	-	12,568.12	12,568.12	-	-	-	-

Note:

Investment in subsidiary have been accounted at historical cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above.

Note 37.2: Financial risk management objectives and policies

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

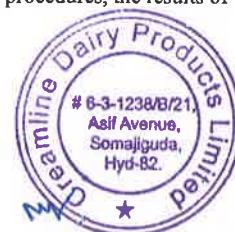
- A) Credit risk
- B) Liquidity risk
- C) Market risk
 - (i) Currency risk
 - (ii) Interest rate risks

Risk management framework:

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

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

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



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management (continued)**Note 37.2: Financial risk management objectives and policies (continued)****A) Credit risk**

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

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

Trade receivables and loans and advances:

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

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

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

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The Company has also created the additional provision for trade receivables based on recovery assessment performed by the Management on periodic basis. The Company has created the loss allowance for other financial assets on specific identification basis.

The carrying amounts of the financial assets as disclosed in note no 5, 8 and 10 represent the maximum credit risk exposure.

Impairment

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are due more than 180 days past due.

The breakup of receivables (Age bucket wise) is as follows:

As at 31 March 2018:

Ageing	Gross receivable	Weighted average loss rate	Loss allowance	Net receivable
Past due 1-30 days	610.95	10.0%	60.89	550.06
Past due 31-90 days	225.73	9.7%	21.82	203.91
Past due 91-180 days	98.73	30.5%	30.09	68.64
> 180 days	194.80	70.9%	138.20	56.60
	1,130.21	22.2%	251.00	879.21

As at 31 March 2017:

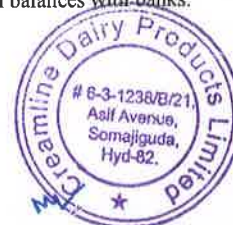
Ageing	Gross receivable	Weighted average loss rate	Loss allowance	Net receivable
Past due 1-30 days	336.37	10.2%	34.39	301.98
Past due 31-90 days	119.60	7.8%	9.37	110.23
Past due 91-180 days	52.64	43.2%	22.72	29.92
> 180 days	87.23	67.6%	58.98	28.25
	595.84	21.1%	125.46	470.38

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	As at 31 March 2018	As at 31 March 2017
Opening	125.46	78.46
Impairment loss recognised	125.54	47.00
Amounts written off	-	-
Closing	251.00	125.46

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 1,378.37 lakhs as at 31 March 2018 (previous year Rs. 974.89 lakhs) with scheduled banks with good credit rating in India. The Company does not expect any credit loss from balances with banks.



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management (continued)**Note 37.2: Financial risk management objectives and policies (continued)****B) Liquidity risk**

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

Exposure to liquidity risk

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

As at 31 March 2018

Non-derivative financial liabilities:

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

As at 31 March 2017

Non-derivative financial liabilities:

	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Term loans (including current maturities)	1,490.56	74.44	88.51	474.52	853.09	-
Vehicle loans	64.18	24.16	22.46	16.36	1.20	-
Current borrowings	3,827.90	3,827.90	-	-	-	-
Trade payables	3,832.03	3,832.03	-	-	-	-
Other financial liabilities (excluding current maturities)	3,353.46	3,353.46	-	-	-	-
Total	12,568.13	11,111.99	110.97	490.88	854.29	-

C) Market risk

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

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

Currency risk:

The functional currency of group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of machineries and spares. There are no foreign currency revenue. Our Company foreign currency exposure as at 31 March 2018 is Rs. 0.57 lakhs and the Management does not expect any currency risk at the balance sheet date.



Creamline Dairy Products Limited**Notes to the standalone financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management (continued)**Note 37.2: Financial risk management objectives and policies (continued)****C) Market risk (continued)****Interest rate risk:**

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

Exposure to interest rate risk

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

	As at 31 March 2018	As at 31 March 2017
Fixed-rate instruments		
Vehicle loans	17.36	64.18
Variable -rate instruments		
Long-term and short-term borrowings	6,827.61	5,318.46
	6,844.97	5,382.64

Cash flow sensitivity analysis for variable-rate instruments:

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

	31 March 2018		31 March 2017	
	Profit/ (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
Variable-rate instruments (Movements - 100 basis points)	(68.28)	68.28	(53.18)	53.18
Cash flow sensitivity (net)	(68.28)	68.28	(53.18)	53.18

Fair value sensitivity analysis for fixed-rate instruments:

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

Note 38 Capital management

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

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

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

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

Particulars	As at 31 March 2018	As at 31 March 2017
	Interest bearing loans and borrowings	6,844.97
Less: cash and cash equivalents	(1,792.96)	(1,354.38)
Adjusted net debt	5,052.01	4,028.26
Total equity	19,768.08	19,340.74
Adjusted net debt to total equity ratio	0.26	0.21



Creamline Dairy Products Limited

Notes to the standalone financial statements (continued)

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

Note 39. Tax expense

The major component of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Tax expense		
Current income tax	491.87	1,098.03
Deferred tax	70.23	358.29
Deferred tax (asset) on net loss on remeasurements of defined benefit plans	(49.11)	(36.42)
	512.99	1,419.90
Earlier year tax	(74.20)	201.98
	438.79	1,621.88

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

A) Current tax

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax including OCI	1,275.03	4,158.14
Income tax rate of Company's domestic tax rate	34.608%	34.608%
Tax using Company's domestic tax rate	441.26	1,439.05
Tax effects of :		
Non-deductible expenses (net)	39.56	1.08
Indexation benefit on freehold land	(21.52)	(12.05)
Tax at special rate - 80JAA and others	(13.18)	(8.18)
Adjustment of tax expense relating to earlier periods	(7.33)	201.98
	438.79	1,621.88

B) Deferred tax

Particulars	Balance as at 1 April 2016	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2017	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2018
Deferred tax liabilities:					
Accelerated depreciation for tax purposes	488.09	448.34	936.43	95.56	1,031.99
Deferred tax assets:					
Indexation benefit on freehold land	(241.91)	(12.05)	(253.96)	(21.52)	(275.48)
Employee benefits	(64.73)	(46.58)	(111.31)	(18.36)	(129.67)
Expenditure allowable on payment basis	-	(11.72)	(11.72)	11.72	-
Allowance for doubtful debts and advances	-	(56.12)	(56.12)	(46.28)	(102.40)
Deferred tax liabilities, net	181.45	321.87	503.32	21.12	524.44

Notes:

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

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



Creamline Dairy Products Limited

Notes to the standalone financial statements (continued)

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

Note 40: Related party disclosures

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

I. Name of related parties and nature of relationships:

(i) **Ultimate Holding Company:**

Godrej Industries Limited

(ii) **Holding Company:**

Godrej Agrovet Limited (GAVL)

(iii) **Subsidiary Companies:**

Nagavalli Milkline Private Limited (wholly owned subsidiary of Creamline Dairy Products Limited)

(iv) **Key Management Personnel and relatives of such Personnel**

- | | | |
|----|------------------------------|---|
| 1 | Mr. K. Bhasker Reddy | (Managing Director – Managerial Services) |
| 2 | Mr. M. Gangadhar | (Executive Director – Managerial Services) |
| 3 | Mr. D. Chandra Shekher Reddy | (Executive Director – Managerial Services) |
| 4 | Mr. C. Balraj Goud | (Executive Director – Managerial Services) |
| 5 | Mr Raj Kanwar Singh | (Chief Executive Officer & Whole Time Director effective from January 29, 2018) |
| 6 | Mr Kapil Sood | (Chief Financial Officer - Till October 25, 2017) |
| 7 | Mr Govind Panduranga Shelar | (Chief Financial Officer - Effective from October 26, 2017) |
| 8 | Mr S.Raghava Reddy | (Company Secretary) |
| 9 | K.Sandhya | (Wife of Mr. K.Bhasker Reddy) |
| 10 | M.Krishna Chaitanya | (Son of Mr. M.Gangadhar) |
| 11 | M.Rama Kumari | (Wife of Mr. M.Gangadhar) |
| 12 | D.Deepika | (Wife of Mr. D. Chandra Shekher Reddy) |
| 13 | C.Manga Raj | (Wife of Mr. C.Balraj Goud) |

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

- 1 KhammamMilkline Private Limited
- 2 DhulipallaMilkline Private Limited
- 3 Mohan Milkline Private Limited
- 4 VidyaMilkline Private Limited
- 5 OngoleMilkline Private Limited
- 6 PamuruMilkline Private Limited
- 7 KavaliMilkline Private Limited
- 8 PragathiMilkline Private Limited
- 9 Orga Farms Private Limited
- 10 Nutramaax Food Specialities Private Limited
- 11 Asha Holdings Private Limited
- 12 PVR Enterprises
- 13 PSR Enterprises
- 14 My Village Model Village Foundation
- 15 Prima Food tech Pvt Ltd

(vi) **Other group entities**

- 1 Godrej & Boyce manufacturing Company
- 2 Godrej Consumer Products Limited
- 3 Astec Life Sciences Limited
- 4 Natures Basket Limited



Creamline Dairy Products Limited

Notes to the standalone financial statements (continued)

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

Note 40: Related party disclosures (continued)

II. Related party transactions during the year:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A (i) Holding Company - Godrej Agrovet Limited		
Expenses charged by/ reimbursement made	21.83	-
Purchase of materials	513.44	481.32
Dividend paid	176.37	-
(ii) Subsidiary Company - Nagavalli Milkline Private Limited		
Reimbursement of Expenses	0.27	0.34
B Key Management Personnel ('KMP')		
Short Term Employee Benefit:		
Mr. K. Bhasker Reddy	92.93	120.93
Mr. M. Gangadhar	74.80	74.80
Mr. D. Chandra Shekher Reddy	92.84	120.84
Mr. C. BalrajGoud	74.80	74.80
Mr Raj Kanwar Singh	162.28	51.93
Mr. P. Gopala Krishnan	-	53.63
Mr Kapil Sood	23.60	21.29
Mr Govind Panduranga Shelar	13.79	-
Mr S.Raghava Reddy	14.04	11.00
Post Employee Gratuity & Medical Benefits		
Mr. K. Bhasker Reddy	1.33	1.33
Mr. M. Gangadhar	1.32	1.32
Mr. D. Chandra Shekher Reddy	1.32	1.32
Mr. C. BalrajGoud	1.32	1.32
Mr Raj Kanwar Singh	2.47	1.13
Mr. P. Gopala Krishnan	-	2.40
Mr Kapil Sood	0.38	0.78
Mr Govind Panduranga Shelar	0.54	-
Mr S.Raghava Reddy	0.24	0.24
Dividend paid		
Mr. K. Bhasker Reddy	26.06	-
Mr. M. Gangadhar	17.06	-
Mr. D. Chandra Shekher Reddy	25.06	-
Mr. C. BalrajGoud	19.65	-
C Relatives of key management personnel		
Short Term Employee Benefits:		
Sandhya Kondapalli	29.02	29.02
Deepika Devireddy	29.02	29.02
Mangaraj Chinthala	29.02	29.02
Rama Kumari Mandava	29.02	7.25
Krishna Chaitanya Mandava	-	21.76
Post Employee Gratuity & Medical Benefits		
Sandhya Kondapalli	0.98	0.98
Deepika Devireddy	0.98	0.98
Mangaraj Chinthala	0.98	0.98
Rama Kumari Mandava	0.98	0.25
Krishna Chaitanya Mandava	-	0.74
Dividend paid		
Sandhya Kondapalli	8.70	-
Deepika Devireddy	6.15	-
Mangaraj Chinthala	13.03	-
Rama Kumari Mandava	7.54	-
Krishna Chaitanya Mandava	6.93	-



Note 40: Related party disclosures (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
D Enterprise over which KMP exercise significant influence with relatives		
Nutramaax Food Specialities Private Limited		
Acquisition of assets under slump sale	-	3,037.79
Inventory and others	-	12.17
Purchases of goods/ services	-	11.73
Asha Holdings Private Limited		
Sale/ transfer of fixed assets	-	300.00
Purchases of goods/ services		
Ongole Milkline Private Limited	3,371.27	2,556.33
Mohan Milkline Private Limited	3,916.71	3,469.07
Vidya Milkline Private Limited	1,063.40	1,289.59
Khammam Milkline Private Limited	1,763.91	1,889.67
Pamuru Milkline Private Limited	1,300.45	1,218.35
Kavali Milkline Private Limited	3,011.86	4,710.68
Pragathi Milkline Private Limited	648.82	1,202.22
Dhulipalla Milkline Private Limited	171.88	1,023.07
Orga Farms Private Limited	188.78	120.04
PVR Enterprises	140.54	55.01
PSR Enterprises	42.90	292.01
Prima FoodTech Private Limited	25.99	-
Sale of goods/ services		
Khammam Milkline Private Limited	19.37	1.35
Kavali Milkline Private Limited	-	5.16
My Village Model Village Foundation		
Corporate Social Responsibility	5.00	5.00
E Fellow subsidiaries		
Godrej & Boyce Mfg Co Limited		
Purchases of goods/ services	39.28	25.21
Godrej Consumer Products Limited		
Expenses Charged to / Reimbursement	6.74	-
Natures Basket Limited		
Intercorporate Deposits recovered	-	5,000.00
F Director Sitting Fees		
Directors	2.70	1.84
G Rent paid to relatives of Key Management Personnel		
K.Sandhya	16.54	16.54
M.Rama Kumari	16.47	16.47
D.Deepika	16.47	16.47
C.Manga Raj	16.47	16.47



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 40: Related party disclosures (continued)

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

Particulars	As at	
	31 March 2018	31 March 2017
A Holding Company - Godrej Agrovet Limited		
Outstanding payables (Net of receivables)	67.97	11.14
B Subsidiary Company - Nagavalli Milkline Private Limited		
Outstanding payables	3.45	3.17
C Enterprise over which KMP exercise significant influence with relatives:		
Outstanding payables :		
Kavali Milkline Private Limited	56.03	32.58
Khammam Milkline Private Limited	65.32	77.65
Mohan Milkline Private Limited	98.95	49.82
Orgaa Farms Private Limited	6.56	0.90
Pamuru Milk Line Private Limited	12.70	27.16
Pragathi Milkline	12.34	9.57
PSR Enterprises	16.94	16.10
PVR Enterprises	13.46	9.38
Vidya MilkLine Private Limited	26.24	10.02
Ongole MilkLine Private Limited.	74.04	19.15
Dhulipalla MilkLine Private Limited.	5.65	13.74
Nutramaax Food Specialities Private Limited	-	(1.71)
Prima FoodTech Private Limited	8.49	-
Payable to key management personnel		
Mr. K. Bhasker Reddy	-	29.12
Mr. M. Gangadhar	-	4.30
Mr. D. Chandra Shekher Reddy	-	31.68
Mr. C. BalrajGoud	-	7.07
Mr Raj Kanwar Singh	-	7.57
Mr Kapil Sood	-	0.50
Mr S.Raghava Reddy	-	0.48
Payable to relatives of key management personnel		
K.Sandhya	-	3.42
M.Rama Kumari	-	3.79
D.Deepika	-	3.42
C.Manga Raj	-	3.42

All transactions with these related parties are priced on arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date. None of the balances are secured



Creamline Dairy Products Limited

Notes to the standalone financial statements (continued)

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

Note 41. Business combinations

a) Summary of entities acquired, business, date of control and object of combinations by the Company are given below:

Name of the acquiree	Nutramaax Food Specialties Private Limited ("Nutramaax")	RBS Dairy Farm ("RBS")
Nature of business	Processor of milk and milk products	Processor of milk and milk products
Date of control	1 July 2016	1 February 2017
Type of acquisition	Slump Sale of Assets	Slump Sale of Assets
Object of 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.

b) Fair value of net assets acquired are given below:

Particulars	Nutramaax	RBS
Land and Buildings	1,737.50	2,381.70
Plant and equipment	1,099.05	509.48
Other assets	156.55	90.69
Vehicles	41.77	448.31
Security deposits	2.76	0.15
	3,037.63	3,430.33

c) Computation of Goodwill/(Capital reserve) are given below:

Particulars	Nutramaax	RBS
Fair value of purchase consideration	3,000.01	3,295.00
Less: Fair value of net assets acquired	(3,037.63)	(3,430.33)
Goodwill/(Capital reserve)	(37.62)	(135.33)

Costs relating to acquisition amounting to Rs. 81.64 lakhs which were not directly attributable to the issue of shares were accounted in the statement of profit and loss.

Note 42 : Specified bank notes

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN)* held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN*	Other denomination notes	Total
Closing Balance as at 8 November 2016	118.36	65.80	184.16
Add: Receipts for permitted transactions	844.28	5,796.36	6,640.64
Less : Paid for permitted transactions	-	283.81	283.81
Less: Deposited in bank accounts	962.64	5,402.24	6,364.88
Closing balance as at 30 December 2016	-	176.11	176.11

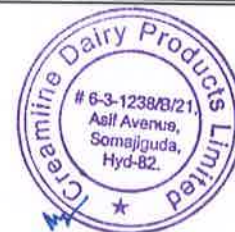
*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 43 : Borrowings movement

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

Particulars	As at 1 April 2016		As at 31 March 2017		As at 31 March 2018	
		Cash flow		Cash flow		
Long-term borrowings	1,213.74	(341.00)	1,554.74	(209.77)	1,344.97	
Short-term borrowings	4,386.90	559.00	3,827.90	1,672.10	5,500.00	
	5,600.64	218.00	5,382.64	1,462.33	6,844.97	

There are were no non-cash transactions.



Creamline Dairy Products Limited
Notes to the standalone financial statements (continued)
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 44 : Corporate social responsibility expenditure

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spend by the Company	66.40	55.50
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Contribution to NGOs	5.00	42.07
Amount spent by the Company on various welfare activities	38.29	18.09
Total amount spent	43.29	60.16

Note 45 : Dues to micro and small enterprises

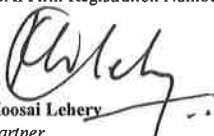
The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
the amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	242.48	220.65
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

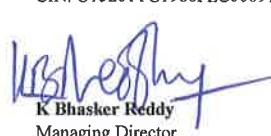
This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

As per our report of even date attached

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


Koosai Leherly
 Partner
 Membership No. 112399

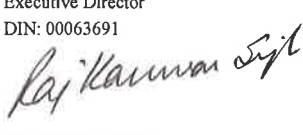
for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
 CIN: U15201TG1986PLC006912


K Bhasker Reddy
 Managing Director
 DIN: 00014291


M Gangadhar
 Executive Director
 DIN:00014325


D. Chandra Shekher Reddy
 Executive Director
 DIN: 00063691


C. Balraj Goud
 Executive Director
 DIN: 00063719


Raj Kanwar Singh
 Chief Executive Officer


Govind P Shilar
 Chief Financial Officer


S Raghava Reddy
 Company Secretary

Place: Mumbai
 Date: 2 May 2018



B S R & Co. LLP

Chartered Accountants

Salarpuria Knowledge City,
Orwell, 6th Floor, Unit-3,
Sy. No. 83/1, Plot No. 2, Raidurg,
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Independent Auditor's report To the Members of Creamline Dairy Products Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Creamline Dairy Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Auditor's 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 provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

**Independent Auditor's report on the consolidated Ind AS financial statements (continued)
Creamline Dairy Products Limited**

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on financial statements and on the other financial information of the subsidiary, 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 of the Group as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Group for the year ended 31 March 2017 included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who, vide their report dated 08 May 2017 expressed an unmodified opinion on those financial statements.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 195.20 lakhs as at 31 March 2018, total revenues of Rs. Nil and net cash outflows of Rs. 0.14 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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



**Independent Auditor's report on the consolidated Ind AS financial statements (continued)
Creamline Dairy Products Limited**

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of the subsidiary company incorporated in India, none of the directors of the Group is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.



Independent Auditor's report on the consolidated Ind AS financial statements (continued)
Creamline Dairy Products Limited

- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Koosai Leheri

Partner

Membership No.: 112399

Place: Mumbai

Date: 2 May 2018

Creamline Dairy Products Limited

Annexure-A to the Independent Auditor's Report on the consolidated Ind AS financial statements

Referred to in paragraph 1(f) of the Independent Auditor's Report of even date to the members of Creamline Dairy Products Limited on the consolidated Ind AS financial statements for the year ended 31 March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Creamline Dairy Products Limited ('the Holding Company') and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary 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 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit obtained by the other auditors in terms of their report referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Creamline Dairy Products Limited

Annexure-A to the Independent Auditor's Report on the consolidated Ind AS financial statements (continued)

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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 Holding Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 ICAI.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary company, which is incorporated in India, is based on the corresponding report of the auditors of the subsidiary. Our opinion is not qualified in respect of this matter.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Koosai Leherly

Partner

Membership No.: 112399

Place: Mumbai

Date: 2 May 2018

Creamline Dairy Products Limited

Consolidated Balance Sheet

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

Particulars	Notes	As at	
		31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	18,119.20	17,316.80
Capital work-in-progress	2	3,425.59	1,256.17
Goodwill	3	367.97	367.97
Other intangible assets	3	276.35	308.31
Financial assets			
Non-current investments	4	0.17	0.17
Other financial assets	5	270.95	256.59
Non-current tax assets (net)		178.58	52.54
Other non-current assets	6	877.09	1,328.99
Total non-current assets		23,515.90	20,887.54
Current assets			
Inventories	7	13,345.07	9,986.37
Financial assets			
Trade receivables	8	875.76	467.20
Cash and cash equivalents	9	1,794.35	1,355.91
Other financial assets	10	159.79	117.61
Other current assets	11	998.91	315.60
Total current assets		17,173.88	12,242.69
Total assets		40,689.78	33,130.23
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,132.47	1,132.47
Other equity	13	18,632.39	18,205.33
Total equity		19,764.86	19,337.80
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	854.29	1,344.97
Provisions	15	290.93	185.24
Deferred tax liabilities, net	16	524.44	503.32
Deferred income	17	180.43	198.41
Total non-current liabilities		1,850.09	2,231.94
Current liabilities			
Financial liabilities			
Borrowings	18	5,500.00	3,827.90
Trade payables	19	9,924.32	3,832.03
Other financial liabilities	20	3,055.00	3,563.45
Other current liabilities	21	470.80	296.98
Deferred income	22	9.34	6.16
Provisions	23	115.37	33.97
Total current liabilities		19,074.83	11,560.49
Total liabilities		20,924.92	13,792.43
Total Equity and liabilities		40,689.78	33,130.23

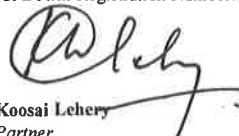
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022


Koosai Leher
Partner

Membership No. 112399

for and on behalf of the Board of Directors of

Creamline Dairy Products Limited

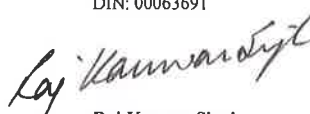
CIN: U15201TG1986PLC006912


K Bhasker Reddy
Managing Director
DIN: 00014291


M Gangadhar
Executive Director
DIN:00014325


D. Chandra Shekher Reddy
Executive Director
DIN: 00063691


C. Balraj Goud
Executive Director
DIN: 00063719


Raj Kanwar Singh
Chief Executive Officer


Govind P Shelar
Chief Financial Officer

Place: Mumbai
Date: 2 May 2018




S Raghava Reddy
Company Secretary

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


Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	24	1,15,765.55	1,00,991.70
Other income	25	259.52	860.08
Total income		1,16,025.07	1,01,851.78
Expenses			
Cost of materials consumed	26	96,272.27	81,581.61
Changes in inventories of finished goods and work-in-progress	27	(2,669.00)	(1,680.81)
Excise duty		26.08	58.63
Employee benefits expense	28	5,938.70	4,725.60
Finance costs	29	277.77	492.96
Depreciation and amortisation expense	30	1,818.18	1,429.31
Other expenses	31	12,944.42	10,982.39
Total expenses		1,14,608.42	97,589.69
Profit before tax		1,416.65	4,262.09
Tax expense:	39		
Current tax		491.87	1,098.03
Deferred tax		70.23	358.29
Earlier year tax		(74.20)	201.98
		487.90	1,658.30
Profit for the year		928.75	2,603.79
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	28	(141.90)	(105.24)
Deferred tax relating to Remeasurement	39	49.11	36.42
Total other comprehensive income for the year		(92.79)	(68.82)
Total comprehensive income for the year		835.96	2,534.97
Earnings per share			
Basic earnings per share of Rs. 10 each	32	8.20	22.99
Diluted earnings per share of Rs. 10 each	32	8.20	22.99

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

As per our report of even date attached

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

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



Koosai Leheri
 Partner
 Membership No. 112399


K Bhasker Reddy
 Managing Director
 DIN: 00014291


M Gangadhar
 Executive Director
 DIN:00014325


D.Chandra Shekher Reddy
 Executive Director
 DIN: 00063691


C.Balraj Gould
 Executive Director
 DIN: 00063719


Raj Kanwar Singh
 Chief Executive Officer


Govind P Shelar
 Chief Financial Officer

Place: Mumbai
 Date: 2 May 2018


S Raghava Reddy
 Company Secretary



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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities :		
Profit before tax	1,416.65	4,262.09
Adjustment for:		
Depreciation and amortisation expense	1,818.18	1,429.30
Loss on sale of property, plant and equipment	8.79	59.27
Profit on sale of investments (net)	(17.96)	(266.32)
Amortisation of government grants	(14.79)	(35.16)
Interest income	(14.01)	(375.73)
Finance costs	277.77	492.96
Allowances for doubtful debts and advances	133.71	95.14
Credit balances written back	(21.43)	(1.14)
Bad debts written off/(Recovered), net	(15.95)	101.76
Operating profit before working capital changes	3,570.96	5,762.17
Inventories	(3,358.71)	(3,113.55)
Trade receivables	(516.36)	(67.88)
Other non-current assets and current assets	(718.05)	27.69
Other financial Assets	(54.33)	(108.90)
Trade payables	6,113.68	648.47
Employee benefit obligations	45.19	208.19
Other financial liabilities	108.50	512.93
Other current liabilities	173.82	(6.17)
Cash generated from operations	5,364.70	3,862.95
Taxes paid (net of refunds received)	(543.68)	(1,638.00)
Net cash flow from operating activities	4,821.02	2,224.95
Cash flow from investing activities :		
Payments for property, plant and equipment	(5,182.40)	(10,440.90)
Proceeds from sale of property, plant & equipment	10.24	40.00
Sale/(Purchase) of investments	-	5,199.00
Net gain on sale of investments	17.96	266.32
Intercompany deposits (given)/received back	-	3,000.00
Interest received	11.81	368.00
Net cash used in investing activities	(5,142.39)	(1,567.58)
Cash flow from financing activities :		
Repayment of short-term borrowings	1,672.10	(341.00)
Receipt/(Repayment) of long-term borrowings	(209.77)	559.00
Finance costs	(294.82)	(473.00)
Dividend paid	(338.54)	-
Dividend tax paid	(69.16)	-
Net cash from/(used in) financing activities	759.81	(255.00)
Net increase in cash and cash equivalents	438.44	402.37
Cash and cash equivalents at the beginning of the year (refer note 9)	1,355.91	953.54
Cash and cash equivalents at the end of the year (refer note 9)	1,794.35	1,355.91

Refer note 45 for reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

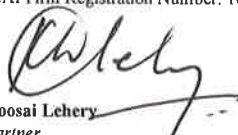
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022


Koosai Leher
 Partner
 Membership No. 112399

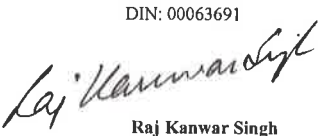
for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
 CIN: U15201TG1986PLC006912


K Bhasker Reddy
 Managing Director
 DIN: 00014291


M Gangadhar
 Executive Director
 DIN: 00014325

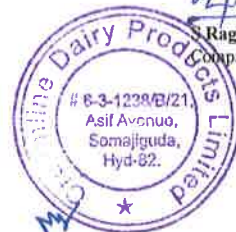

D. Chandra Shekher Reddy
 Executive Director
 DIN: 00063691


C. Balraj Goud
 Executive Director
 DIN: 00063719


Raj Kanwar Singh
 Chief Executive Officer


Govind P. Shelar
 Chief Financial Officer

Place: Mumbai
 Date: 2 May 2018



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

(a) Equity share capital

	As at	As at
	31 March 2018	31 March 2017
Balance at the beginning of the reporting year	1,132.47	1,132.47
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	1,132.47	1,132.47

(b) Other equity

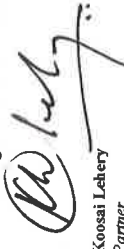
	As at 31 March 2018:	As at 31 March 2017:	Retained earnings	General reserve	Securities premium	Capital reserves	Other Comprehensive Income	Total
Balance at 31 March 2017								
Total comprehensive income for the year			10,960.40	1,443.72	5,720.20	174.89	(93.88)	18,205.33
Profit for the year			928.75	-	-	-	-	928.75
Remeasurement of post-employment benefit obligations, net of tax			-	-	-	-	-	-
Total comprehensive income for the year			928.75	-	-	-	(92.79)	835.96
Transactions with the owners of the Company:								
Dividend			(339.74)	-	-	-	-	(339.74)
Dividend distribution tax			(69.16)	-	-	-	-	(69.16)
Balance at 31 March 2018			11,480.25	1,443.72	5,720.20	174.89	(186.67)	18,632.39
As at 31 March 2017:								
Balance at 1 April 2016			8,481.49	1,318.72	5,720.20	1.94	(25.06)	15,497.29
Total comprehensive income for the year:								
Profit for the year			2,603.79	-	-	-	-	2,603.79
Remeasurement of post-employment benefit obligations, net of tax			-	-	-	-	(68.82)	(68.82)
Total comprehensive income for the year			2,603.79	-	-	-	(68.82)	2,534.97
Transactions with the owners of the Company:								
Transferred to general reserve			(125.00)	125.00	-	-	-	-
Capital reserve pursuant to business combinations (refer note 41)			-	-	-	172.95	-	172.95
Adjustment due to reversal of capitalised borrowing cost			0.12	-	-	-	-	0.12
Balance at 31 March 2017			10,960.40	1,443.72	5,720.20	174.89	(93.88)	18,205.33

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

for **B S R & Co. LLP**

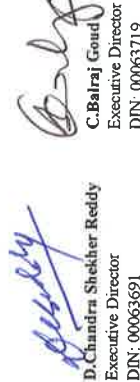
Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022


 Koosai Leheri
 Partner
 Membership No. 112399

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


 K Bhasker Reddy
 Managing Director
 DIN: 00014291


 D. Chandri Shekher Reddy
 Executive Director
 DIN: 00063691


 Raj Kanwar Singh
 Chief Executive Officer


 Govind P. Srinagar
 Chief Financial Officer



Creamline Dairy Products Limited
Note to the consolidated financial statements

Group overview:

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

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

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

Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31 March 2018	Proportion of ownership interest as at 31 March 2017
Nagavalli Milkline Private Limited	India	100%	100%

1. Significant accounting policies

a) Statement of compliance

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

b) Basis of preparation

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

c) Principles of consolidation

The consolidated financial statements ('financial statements') have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits / losses, unless cost/revenue cannot be recovered, if any.

The excess of cost to the Company of its investment in subsidiary, on the acquisition dates over and above the Company's share of equity in the subsidiary, is recognised as 'Goodwill on Consolidation' being an asset in the financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for.



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

d) Functional and presentation currency

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

e) Key estimates and assumptions

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

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

Judgment, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

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

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

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

- **Recognition of deferred tax assets**

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

- **Recognition and measurement of other provisions**

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

f) Fair value measurement:

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

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

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

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

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

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

g) Current and non-current classification

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

Assets

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

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

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



Creamline Dairy Products Limited
Note to the consolidated financial statements

1. Significant accounting policies (continued)

Liabilities

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

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

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

Operating cycle

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

h) Revenue

Sale of goods

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

Revenue from the sale of goods is recognized when significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfer of risk and rewards varies depending on the individual terms of sale, usually on delivery of the goods.

Sale of power

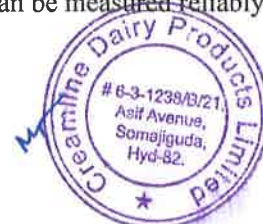
Revenue from the sale of power is recognised when a Group entity sells the power to the customer. Revenue from sale of power is based on the price specified in the sales contracts.

Interest income

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

Dividend income

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

i) Foreign currency

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

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

j) Employee benefits

Short-term employee benefits

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

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

Defined contribution plan

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

Defined benefit plan

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

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

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

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

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

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

Other long-term employee benefits

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

k) Taxes on income:

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

Current tax

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

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

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

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

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

l) Inventories

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

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

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

m)Property, plant and equipment

Recognition and measurement

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

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

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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

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

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

Subsequent expenditure

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

Depreciation/ Amortizations

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



Creamline Dairy Products Limited
Note to the consolidated financial statements

1. Significant accounting policies (continued)

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

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

n) Intangible assets

Recognition and measurement

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

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

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

Amortisation

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

- Computer Software : 5 years

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

o) Borrowing Cost

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

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

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

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

p) Segment reporting

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



Creamline Dairy Products Limited
Note to the consolidated financial statements

1. Significant accounting policies (continued)

q) Business combinations

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

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

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

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

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.

r) Impairment of non-financial assets

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

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

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

s) Cash and cash equivalents

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

t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively.

u) Government grants

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

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

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

v) Leases

Finance leases

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

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

Operating leases

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

w) Financial instruments

Recognition and initial measurement

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

Classification and subsequent measurement

Financial assets

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

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

Amortised Cost:

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

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

Fair Value through OCI:

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

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



Creamline Dairy Products Limited
Note to the consolidated financial statements

1. Significant accounting policies (continued)

Fair Value through Profit or Loss:

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

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

Financial liabilities

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

Financial Liabilities at FVTPL:

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

Other Financial Liabilities:

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

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

Derecognition of financial instruments

Financial assets

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

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

Financial liabilities

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

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



Creamline Dairy Products Limited

Note to the consolidated financial statements

1. Significant accounting policies (continued)

Impairment of financial assets

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

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

Offsetting

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

x) Borrowings

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

y) Earnings per share

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

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

z) Provisions, Contingent liabilities, Contingent assets and Commitments

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

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

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

Contingent liability is disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow or resources will be required to settle the obligation;



Creamline Dairy Products Limited
Note to the consolidated financial statements

1. Significant accounting policies (continued)

- a present obligation arising from past events, when reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow or resources is remote.

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

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

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

aa) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115, Revenue from Contracts with Customers

Initial assessment has been carried out by the Group (and effect on accounting policies etc. has been evaluated), no impact of Ind AS 115 on financial statements of the year 2017-18.

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 *Revenue*, Ind AS 11 *Construction Contracts* and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. There is no impact of adoption of Ind AS 115 on the financial statements.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The Group has completed an initial assessment of the potential impact of the amendment on the financial statements. Since the foreign currency transaction are not significant to the operations of the Group, there is no impact of adoption of clarification on the financial statements.



Creamline Dairy Products Limited
Notes to the consolidated financial statements
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 2. Property, Plant and Equipment

Particulars	Free hold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans & Milk-o-Testers	Wind and Solar Equipment	Computers	Total	Capital work-in-progress
As at 31 March 2018:												
Gross Block												
As at 31 March 2017	3,065.96	6,308.80	11,814.29	667.18	145.32	1,019.31	158.59	609.29	2,664.03	320.42	26,773.19	1,256.17
Additions	21.35	482.68	1,609.42	99.49	9.05	19.45	25.46	35.54	-	239.11	2,541.55	4,763.12
Adjustments	-	-	19.12	-	-	(11.75)	-	-	(19.12)	-	-	-
Disposals	-	-	(123.57)	(0.83)	(0.10)	-	-	(1.85)	-	(4.10)	(142.20)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(2,593.70)
As at 31 March 2018	3,087.31	6,791.48	13,319.26	765.84	154.27	1,027.01	184.05	642.98	2,644.91	555.43	29,172.54	3,425.59
Accumulated Depreciation												
As at 31 March 2017	-	1,038.28	6,241.92	327.86	92.77	218.82	112.80	527.96	649.91	246.07	9,456.39	-
For the period	-	198.43	1,157.26	56.21	13.76	116.72	12.74	37.58	68.07	59.35	1,720.12	-
Adjustments	-	-	(37.43)	-	-	-	-	-	37.43	-	-	-
Disposals	-	-	(109.88)	(0.70)	(0.09)	(6.85)	-	(1.75)	-	(3.90)	(123.17)	-
As at March 31, 2018	-	1,236.71	7,251.87	383.37	106.44	328.69	125.54	563.79	755.41	301.52	11,053.34	-
Net Block as at March 31, 2018	3,087.31	5,554.77	6,067.39	382.47	47.83	698.32	58.51	79.19	1,889.50	253.91	18,119.20	3,425.59
As at March 31, 2017												
Gross Block												
As at 1 April 2016	1,109.49	3,713.76	9,598.15	508.15	165.32	520.79	199.10	772.11	2,113.63	426.52	19,127.02	687.87
Additions	318.00	114.77	1,714.65	16.93	2.57	110.60	19.39	-	550.40	32.41	2,879.72	3,524.72
Acquisitions (refer note 41)	1,638.78	2,480.31	1,622.12	182.69	9.43	472.53	16.51	37.09	-	5.58	6,465.04	-
Disposals	(0.31)	(0.04)	(1,120.63)	(40.59)	(32.00)	(84.61)	(76.41)	(199.91)	-	(144.09)	(1,698.59)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-	-	(2,956.42)
As at March 31, 2017	3,065.96	6,308.80	11,814.29	667.18	145.32	1,019.31	158.59	609.29	2,664.03	320.42	26,773.19	1,256.17
Accumulated Depreciation												
As at 1 April 2016	-	896.87	6,345.50	321.34	110.05	239.18	179.26	699.95	549.02	350.48	9,691.65	-
For the year	-	141.42	939.17	43.72	14.02	59.33	6.58	24.25	100.89	35.12	1,364.50	-
Disposals	-	(0.01)	(1,042.75)	(37.20)	(31.30)	(79.69)	(73.04)	(196.24)	-	(139.53)	(1,599.76)	-
As at March 31, 2017	-	1,038.28	6,241.92	327.86	92.77	218.82	112.80	527.96	649.91	246.07	9,456.39	-
Net Block as at March 31, 2017	3,065.96	5,270.52	5,572.37	339.32	52.55	800.49	45.79	81.33	2,014.12	74.35	17,316.80	1,256.17

Notes:

- Refer to note 33(a)(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress includes the borrowing costs capitalised during the year Rs. 94.23 lakhs and salary and other expenses amounting to Rs. 39.16 lakhs.
- Free hold land located at Uthangarai, Tamilnadu to the extent of Rs. 6.50 lakhs is in the process of being transferred in the name of the Company.



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 3 Intangible assets

Particulars	Computer Software	Goodwill	Total
As at March 31, 2018			
Gross Block			
As at 31 March 2017	551.54	367.97	919.51
Additions	66.10	-	66.10
As at 31 March 2018	617.64	367.97	985.61
Accumulated amortisation			
As at 31 March 2017	243.23	-	243.23
For the year	98.06	-	98.06
As at 31 March 2018	341.29	-	341.29
Net Block as at March 31, 2018	276.35	367.97	644.32

Particulars	Computer Software	Goodwill	Total
As at 31 March 2017:			
Gross Block			
As at 1 April 2016	457.78	367.97	825.75
Additions	93.75	-	93.75
Acquisitions (refer note 41)	0.01	-	0.01
As at 31 March 2017	551.54	367.97	919.51
Accumulated amortisation			
As at 1 April 2016	178.42	-	178.42
For the year	64.81	-	64.81
As at 31 March 2017	243.23	-	243.23
Net Block as at March 31, 2017	308.31	367.97	676.28

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. As the recoverable value is higher than the carrying value of goodwill, no impairment loss has been recognised.



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Note 4		
Non-current investments		
<i>Other investments at cost</i>		
<i>Unquoted (Government Securities at amortised cost)</i>		
National Savings Certificate	0.17	0.17
	<u>0.17</u>	<u>0.17</u>
Aggregate value of unquoted investments	0.17	0.17
Note 5		
Other non-current financial assets (unsecured, considered good)		
Security deposits	269.27	255.66
Fixed deposits with maturity of more than 12 months *	1.68	0.93
	<u>270.95</u>	<u>256.59</u>
*Fixed deposits with scheduled banks held as margin money towards bank guarantees.		
Note 6		
Other non-current assets (unsecured, considered good)		
Capital advances	825.49	1,302.18
Prepaid expenses	44.64	21.58
Others	6.96	5.23
	<u>877.09</u>	<u>1,328.99</u>
Note 7		
Inventories (Valued at lower of cost and net realisable value)		
Raw materials	3,998.05	3,392.56
Packing materials	473.04	503.70
Finished goods	7,860.38	5,231.19
Work-in-progress	583.10	543.29
Consumables, stores and spares	430.50	315.63
	<u>13,345.07</u>	<u>9,986.37</u>
Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is Rs. 1,177.66 lakhs (March 31, 2017 Rs. 17.97 lakhs).		
Note 8		
Trade receivables		
Gross trade receivables		
Unsecured, considered good	965.07	514.20
Unsecured, considered doubtful	161.69	78.46
	<u>1,126.76</u>	<u>592.66</u>
Loss allowance		
Unsecured, considered good	(89.31)	(47.00)
Unsecured, considered doubtful	(161.69)	(78.46)
	<u>(251.00)</u>	<u>(125.46)</u>
	<u>875.76</u>	<u>467.20</u>

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

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Note 9		
Cash and cash equivalents		
Cash on hand	338.19	379.63
Cheques on hand	75.20	-
Balance with banks		
- In current accounts	1,379.76	976.28
- Unpaid dividend accounts	1.20	-
	1,794.35	1,355.91
Cash and cash equivalents as per the cash flow statement	1,794.35	1,355.91
Note 10		
Other current financial assets (unsecured, considered good)		
Security deposits	136.22	95.17
Advances to employees	10.58	11.65
Interest receivable	12.99	10.79
	159.79	117.61
Note 11		
Other current assets (Unsecured)		
Considered good:		
Advances to suppliers	144.94	68.57
Advances to milk suppliers	163.13	116.70
Prepaid expenses	164.17	126.02
GST receivables	490.89	-
Others	35.78	4.31
	998.91	315.60
Considered doubtful:		
Advances to suppliers	9.95	-
Advances to milk suppliers	34.92	36.70
Less: Allowance for doubtful advances	(44.87)	(36.70)
	998.91	315.60



Creamline Dairy Products Limited

Notes to the consolidated financial statements (continued)

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

	As at 31 March 2018	As at 31 March 2017
Note 12		
Share capital		
Authorised:		
15,000,000 (March 31, 2017 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid-up:		
11,324,700 (March 31, 2017 11,324,700) equity shares of Rs. 10/- each fully paid up	1,132.47	1,132.47
	<u>1,132.47</u>	<u>1,132.47</u>

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares :				
Outstanding at the beginning of the year	1,13,24,700	1,132.47	1,13,24,700	1,132.47
Issued during the year	-	-	-	-
Balance as at the end of the year	<u>1,13,24,700</u>	<u>1,132.47</u>	<u>1,13,24,700</u>	<u>1,132.47</u>

Terms and rights attached to equity shares:

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company:

	As at 31 March 2018	As at 31 March 2017
Equity shares:		
Godrej Agrovet Limited	58,79,008	58,79,008

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	%	No. of shares	%
Equity shares:				
Godrej Agrovet Limited	58,79,008	51.91%	58,79,008	51.91%
K.Bhasker Reddy	8,68,500	7.67%	8,68,500	7.67%
D.Chandra Shekhar Reddy	8,35,292	7.38%	8,35,292	7.38%
C.Balraj Goud	6,54,892	5.78%	6,54,892	5.78%
M.Gangadhar	5,68,508	5.02%	5,68,508	5.02%



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

	As at 31 March 2018	As at 31 March 2017
Note 13		
Other equity		
Retained earnings		
Opening balance	10,960.40	8,481.49
Add: Adjustment due to reversal of capitalised borrowing cost	-	0.12
Add: Net profit for the year	928.75	2,603.79
	11,889.16	11,085.40
Appropriations:		
Transferred to general reserve	-	(125.00)
Dividend	(339.74)	-
Dividend distribution tax	(69.16)	-
Closing balance	11,480.25	10,960.40
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligation:		
Opening balance	(93.88)	(25.06)
Remeasurement during the year	(141.90)	(105.24)
Tax impact	49.11	36.42
Closing balance	(186.67)	(93.88)
General Reserve:		
Opening balance	1,443.72	1,318.72
Transferred to retained earnings during the year	-	125.00
Closing balance	1,443.72	1,443.72
Securities Premium	5,720.20	5,720.20
Capital Reserve	174.89	174.89
	18,632.39	18,205.33

General reserve

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

Securities premium

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

Retained earnings

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

Capital reserve

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

Other comprehensive income

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

Dividend

In respect of the year ended 31 March, 2018, the directors have proposed a dividend of Rs. 3 per share to be paid on fully paid shares. This equity dividend is subject to approval at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Dividend would attract dividend distribution tax when declared or paid.



Creamline Dairy Products Limited

Notes to the consolidated financial statements (continued)

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

	As at 31 March 2018	As at 31 March 2017		
Note 14				
Long-term borrowings				
			Non-current	Current
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
From banks, unsecured				
Term loans				
Yes Bank	295.31	360.94	65.63	14.06
Kotak Mahindra Bank	297.78	446.67	148.89	148.89
Citi Bank	260.00	520.00	260.00	-
From banks, secured				
Vehicle loans	1.20	17.36	16.16	46.82
	854.29	1,344.97	490.68	209.77

Term loans are unsecured and other terms are given below:

Yes Bank:

Amount is repayable in 16 structured quarterly instalments commencing from January 2018 and carries the interest at MCLR currently 8.50% p.a.

Kotak Mahindra Bank

Amount is repayable in 18 structured quarterly instalments commencing from six months from the date of first disbursement i.e. 30 March 2016 and carries the interest at MCLR currently 8.65% p.a.

Citi Bank

Amount is repayable in two tranches. 50% of draw down amount is repayable in 18 months from the date of draw down and balance 50% at the end of 36 months from the date of draw down. Loan carries the interest at Treasury Bill Rate + 0.19 spread p.a.

Vehicle loans:

Vehicle loans are secured by the hypothecation of the respective vehicles. All the vehicle loans are repayable in 36 equal monthly installments from the date of draw down. Interest rate is applicable in the range of 9.50% p.a. to 10.26% p.a.

Note 15

Provisions - Non-current

Provision for employee benefits:

- Provision for compensated absences
- Provision for gratuity (refer note 36)

134.11	68.45
156.82	116.79
290.93	185.24

Note 16

Deferred tax liabilities

Deferred tax liabilities (net) (refer note 39)

524.44	503.32
524.44	503.32

Note 17

Deferred income

Non-current

Deferred Grant (Refer Note below)

180.43	198.41
180.43	198.41

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



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2018	As at 31 March 2017
Note 18		
Current borrowings		
Unsecured		
Working capital loans:		
Citi Bank	5,500.00	3,000.00
HDFC Bank	-	827.90
Total	5,500.00	3,827.90

Terms of working capital loans:

All the above loans are unsecured and repayable within one year. Interest rate applicable is in the range of 6.10% p.a. to 6.30% p.a.

Note 19

Trade payables

Trade Payables		
dues to micro and small enterprises (refer note 44)	242.48	220.65
dues to other than micro and small enterprises	4,562.02	3,197.23
Acceptances	5,119.82	414.15
	9,924.32	3,832.03

Trade payables includes payables to related parties Rs. 464.69 Lakhs (March 31, 2017 Rs. 275.49). Refer note 40.

Note 20

Other financial liabilities - Current

Current maturities of long-term debt (refer note 14)	490.68	209.77
Security deposit	1,161.16	935.71
Capital creditors	730.01	1,612.03
Employee related payables	429.31	705.72
Interest accrued but not due on borrowings	5.29	22.34
Unclaimed dividend	1.20	-
Others	237.35	77.88
	3,055.00	3,563.45

Note 21

Other current liabilities

Advances from customers	275.69	89.05
Statutory liabilities	195.11	197.82
Others	-	10.11
	470.80	296.98

Note 22

Deferred income

Current

Deferred grants (refer note 17)	9.34	6.16
	9.34	6.16

Note 23

Provisions

Current

Provision for employee benefits:

- Provision for compensated absences	46.42	19.75
- Provision for gratuity (refer note 36)	68.95	14.22
	115.37	33.97



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 24		
Revenue from operations		
Sale of products	1,15,098.88	1,00,825.49
Other operating revenue:		
Sale of power	196.97	119.03
Processing charges	30.68	6.20
Scrap sales	79.62	40.98
Sale of animal feed	359.40	-
	1,15,765.55	1,00,991.70
Note 25		
Other income		
Interest income on:		
Cattle loans	21.68	16.71
Deposits with banks and others	14.01	375.74
Amortisation of government grants (refer note 17)	14.79	35.16
Net gain on sale of investments	17.96	266.32
Provision no longer required written back	21.43	-
Bad debts recovered	15.95	4.95
Miscellaneous income	153.70	161.20
	259.52	860.08
Note 26		
Cost of materials consumed		
Raw materials:		
Material at the commencement of the year	3,392.56	2,249.67
Add : Purchases	92,755.75	79,341.10
Less: Raw material at the end of the year	3,998.05	3,392.56
	92,150.26	78,198.21
Packing materials:		
Material at the Commencement of the year	503.70	335.50
Add : Purchases	4,091.35	3,551.60
Less: Packing material at the end of the year	473.04	503.70
	4,122.01	3,383.40
	96,272.27	81,581.61
Note 27		
Changes in inventories of finished goods and work-in-progress		
At the commencement of the year		
Work-in-progress	543.29	214.07
Finished goods	5,231.19	3,879.60
	5,774.48	4,093.67
At the end of the year		
Work-in-progress	583.10	543.29
Finished goods	7,860.38	5,231.19
	8,443.48	5,774.48
	(2,669.00)	(1,680.81)



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 28		
Employee benefits expense		
Salaries, wages and bonus	5,186.28	4,233.19
Contribution to provident and other funds	327.62	260.38
Gratuity (refer note 36)	110.44	35.40
Compensated absences	42.89	43.03
Staff welfare expense	271.47	153.60
	5,938.70	4,725.60
Remeasurement of post-employment benefit obligations:		
Gratuity (refer note 36)	53.27	91.86
Compensated absences	88.63	13.38
	141.90	105.24
Note 29		
Finance costs		
Interest expense:		
Long-term loans	106.33	71.78
Short-term loans	167.30	343.65
Vehicle loans	4.08	8.59
Interest others	0.06	24.94
Other borrowing costs	-	44.00
	277.77	492.96
Note 30		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,720.12	1,364.50
Amortization of intangible assets	98.06	64.81
	1,818.18	1,429.31
Note 31		
Other expenses		
Consumption of stores and spares	606.42	512.97
Power and fuel	2,244.11	1,899.22
Rent	212.79	196.79
Rates and taxes	203.80	180.42
Repairs and maintenance:		
- Machinery	415.14	339.57
- Buildings	30.91	21.94
- Other assets	268.77	225.64
Other manufacturing expenses	2,329.68	2,028.72
Travelling and conveyance	560.81	473.48
Professional and consultancy charges	723.68	285.86
Office maintenance	26.28	21.53
Auditor's remuneration (refer note below)	27.56	21.80
Bad debts written off	0.22	100.62
Allowances for doubtful debts and advances	133.71	95.14
Loss on scrapping of property, plant and equipment	8.79	59.27
Selling and distribution and advertisement	4,310.52	3,815.87
Corporate social responsibility (refer note 43)	43.29	60.16
Miscellaneous expenses	797.94	643.39
	12,944.42	10,982.39
Note:		
Statutory audit fee	18.00	18.00
Other services	7.50	3.00
Taxation matters	-	0.80
Reimbursement of expenses	2.06	-
	27.56	21.80



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 32: Earnings per share**Computation of earnings per share**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Calculation of weighted average number of equity shares:		
Basic and diluted:		
Number of equity shares outstanding at the beginning of the year	1,13,24,700	1,13,24,700
Number of shares issued during the year	-	-
Weighted average number of equity shares outstanding at the end of the year	<u>1,13,24,700</u>	<u>1,13,24,700</u>
Profit attributable to equity shareholders	928.75	2,603.79
Earnings per equity share (face value of share Rs.10 each):		
- Basic earnings per share	8.20	22.99
- Diluted earnings per share	8.20	22.99

Note 33: Contingent liabilities and commitments

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,035.72	2,762.29
(ii) Export obligation under EPGC (refer note below)	463.86	423.31
b. Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)		
(i) Income tax*	38.21	38.21
(ii) Indirect tax cases*	29.94	29.94
(iii) Other matters	154.02	96.84

* Tax paid under protest as at 31 March 2018: Rs. 35.45 lakhs (31 March 2017 - Rs. 35.45 lakhs).

Note:

Duty saved against EPGC licenses is Rs. 48.05 lakhs. The Company has made the provision of Rs. 33.73 lakhs towards expired licenses and provision for interest on these licenses amounting to Rs. 32.71 lakhs as at 31 March 2018.

Note 34: Leases

The Company has taken rental premises on cancellable operating leases. Lease rental under such cancellable leases amounting to Rs. 212.79 lakhs (31 March 2017: Rs. 196.79 lakhs) has been charged to Statement of profit and loss. There are no non-cancellable leases.

Note 35: Segment reporting

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



Creamline Dairy Products Limited

Notes to the consolidated financial statements (continued)

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

Note. 36 Assets and liabilities related to employee benefits

A) Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the Standalone statement of profit and loss is Rs. 258.69 lakhs (31 March 2017: Rs. 216.26 lakhs).

B) Defined benefit plan

The Company provides gratuity for its employees 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 employees' 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 and the Company makes contributions to recognized funds in India. Liability with regard to this plan is determined by an actuarial valuation as at the end of the year and are charged to the Standalone statement of profit and loss.

Funding

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

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

Net defined benefit obligation as at balance sheet date:

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation	520.51	379.54
Fair value of plan assets	(294.74)	(248.53)
Net defined benefit (obligation)/assets	225.77	131.01

Movement in net defined benefit obligation and plan assets:

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

	Defined benefit obligation		Fair value of plan assets	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Opening balance	379.54	251.72	248.53	183.96
Current service cost	65.27	30.47	-	-
Past service cost	34.70	-	-	-
Interest cost (income)	30.34	20.14	19.87	15.21
Benefits paid	(39.99)	(14.65)	(39.99)	(14.65)
Contributions paid by the employer	-	-	68.95	64.01
Actuarial loss (gain) arising from:				
Demographic assumptions	44.16	-	-	-
Financial assumptions	16.97	-	-	-
Experience adjustment	(10.48)	91.86	-	-
Return on plan assets excluding interest	-	-	(2.62)	-
Closing balance	520.51	379.54	294.74	248.53

Effect of any Amendments, Curtailments and Settlements:

During the year ended 31 March 2018, there is an amendment to the benefit plan arrangement to reflect new legal requirements in the country regarding changes in ceiling limits of Gratuity. Past service cost of Rs. 34.70 lakhs has been recognised in the statement of profit and loss, due to change in gratuity ceiling limit from Rs. 10 lakhs to Rs. 20 lakhs.

Expense recognized in the Standalone statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	65.27	30.47
Past service cost	34.70	-
Net interest cost	10.47	4.93
	110.44	35.40



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

Remeasurements recognised in other comprehensive income :

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial loss/(gain) arising from Defined Benefit Obligation	50.65	91.86
Return on plan assets excluding interest income	2.62	-
	53.27	91.86

Plan assets:

Plan assets comprise of the following:

	As at 31 March 2018	As at 31 March 2017
Group Gratuity cum Life Assurance with LIC	294.74	248.53
Coverage of plan asset	100%	100%

Summary of actuarial assumptions:

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.50%	8.00%
Future salary growth	5.00%	5.00%
Rate of employee turnover	15.00%	5.00%
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

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

Sensitivity analysis:

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

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(21.12)	23.06	(39.54)	47.18
Future salary growth (1% movement)	22.47	(20.96)	45.99	(38.80)
Rate of employee turnover (50% of attrition rate)	(28.85)	15.58	(39.54)	47.18

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

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs. 70 lakhs (31 March 2017: Rs. 70 lakhs).

Expected future cash flows:

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

Expected future benefit payments	As at 31 March 2018	As at 31 March 2017
March 31, 2019	141.42	20.92
March 31, 2020	99.39	60.11
March 31, 2021	74.00	59.46
March 31, 2022	62.69	82.33
Thereafter	384.29	156.72
	761.79	379.54

C) Other long-term employee benefits:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss.



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management**Note 37.1: Accounting classification and fair values**

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

As at 31 March 2018:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	0.17	0.17	-	-	-	-
Trade receivables	-	875.76	875.76	-	-	-	-
Cash and cash equivalents	-	1,794.35	1,794.35	-	-	-	-
Other financial assets	-	430.74	430.74	-	-	-	-
	-	3,101.02	3,101.02	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	6,354.29	6,354.29	-	-	-	-
Trade payables	-	9,924.32	9,924.32	-	-	-	-
Other financial liabilities	-	3,055.00	3,055.00	-	-	-	-
	-	19,333.61	19,333.61	-	-	-	-
As at 31 March 2017:							
As at 31 March 2017:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	0.17	0.17	-	-	-	-
Trade receivables	-	467.20	467.20	-	-	-	-
Cash and cash equivalents	-	1,355.91	1,355.91	-	-	-	-
Other financial assets	-	374.20	374.20	-	-	-	-
	-	2,197.48	2,197.48	-	-	-	-
Financial liabilities:							
Borrowings (excluding current maturities)	-	5,172.87	5,172.87	-	-	-	-
Trade payables	-	3,832.03	3,832.03	-	-	-	-
Other financial liabilities	-	3,563.45	3,563.45	-	-	-	-
	-	12,568.35	12,568.35	-	-	-	-

Note 37.2: Financial risk management objectives and policies

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

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

Risk management framework:

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

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

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



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management (continued)**Note 37.2: Financial risk management objectives and policies (continued)****A) Credit risk**

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

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

Trade receivables and loans and advances:

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

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

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

The Company monitors each loans and advances given and makes any specific provision wherever required.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The Company has also created the additional provision for trade receivables based on recovery assessment performed by the Management on periodic basis. The Company has created the loss allowance for other financial assets on specific identification basis.

The carrying amounts of the financial assets as disclosed in note no 5, 8 and 10 represent the maximum credit risk exposure.

Impairment

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are due more than 180 days past due.

The breakup of receivables (Age bucket wise) is as follows:

As at 31 March 2018:

Ageing	Gross receivable	Weighted average loss rate	Loss allowance	Net receivable
Past due 1-30 days	610.95	10.0%	60.89	550.06
Past due 31-90 days	225.73	9.7%	21.82	203.91
Past due 91-180 days	98.73	30.5%	30.09	68.64
> 180 days	191.35	72.2%	138.20	53.15
	1,126.76	22.3%	251.00	875.76

As at 31 March 2017:

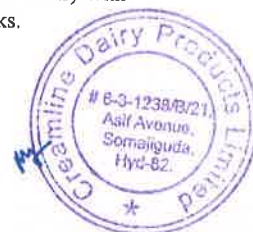
Ageing	Gross receivable	Weighted average loss rate	Loss allowance	Net receivable
Past due 1-30 days	336.37	10.2%	34.39	301.98
Past due 31-90 days	119.60	7.8%	9.37	110.23
Past due 91-180 days	52.64	43.2%	22.72	29.92
> 180 days	84.05	70.2%	58.98	25.07
	592.66	21.2%	125.46	467.20

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	As at 31 March 2018	As at 31 March 2017
Opening		
Impairment loss recognised	125.46	78.46
Amounts written off	125.54	47.00
Closing	251.00	125.46

Cash and cash equivalents

The Company held cash and cash equivalents of Rs. 1,379.76 lakhs as at 31 March 2018 (previous year Rs. 976.28 lakhs) with scheduled banks with good credit rating in India. The Company does not expect any credit loss from balances with banks.



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management (continued)**Note 37.2: Financial risk management objectives and policies (continued)****B) Liquidity risk**

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

Exposure to liquidity risk

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

As at 31 March 2018	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Term loans (including current maturities)	1,327.61	362.57	111.94	507.33	345.77	-
Vehicle loans	17.36	12.13	4.03	1.20	-	-
Current borrowings	5,500.00	5,500.00	-	-	-	-
Trade payables	9,924.32	9,924.32	-	-	-	-
Other financial liabilities (excluding current maturities)	2,564.32	2,564.32	-	-	-	-
	19,333.61	18,363.34	115.97	508.53	345.77	-
As at 31 March 2017						
	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Term loans (including current maturities)	1,490.56	74.44	88.51	474.52	853.09	-
Vehicle loans	64.18	24.16	22.46	16.36	1.20	-
Current borrowings	3,827.90	3,827.90	-	-	-	-
Trade payables	3,832.03	3,832.03	-	-	-	-
Other financial liabilities (excluding current maturities)	3,353.69	3,353.69	-	-	-	-
Total	12,568.36	11,112.22	110.97	490.88	854.29	-

C) Market risk

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

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

Currency risk:

The functional currency of group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of machineries and spares. There are no foreign currency revenue. Our Company foreign currency exposure as at 31 March 2018 is Rs. 0.57 lakhs and the Management does not expect any currency risk at the balance sheet date.



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 37: Financial instruments – Fair values and risk management (continued)**Note 37.2: Financial risk management objectives and policies (continued)****C) Market risk (continued)****Interest rate risk:**

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

Exposure to interest rate risk

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

	As at 31 March 2018	As at 31 March 2017
Fixed-rate instruments		
Vehicle loans	17.36	64.18
Variable -rate instruments		
Long-term and short-term borrowings	6,827.61	5,318.46
	6,844.97	5,382.64

Cash flow sensitivity analysis for variable-rate instruments:

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

	31 March 2018		31 March 2017	
	Profit/ (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
Variable-rate instruments (Movements - 100 basis points)	(68.28)	68.28	(53.18)	53.18
Cash flow sensitivity (net)	(68.28)	68.28	(53.18)	53.18

Fair value sensitivity analysis for fixed-rate instruments:

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

Note 38 Capital management

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

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

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

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

Particulars	As at	
	31 March 2018	31 March 2017
Interest bearing loans and borrowings	6,844.97	5,382.64
Less: cash and cash equivalents	(1,794.35)	(1,355.91)
Adjusted net debt	5,050.62	4,026.73
Total equity	19,764.86	19,337.80
Adjusted net debt to total equity ratio	0.26	0.21



Creamline Dairy Products Limited

Notes to the consolidated financial statements (continued)

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

Note 39. Tax expense

The major component of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Tax expense		
Current income tax	491.87	1,098.03
Deferred tax	70.23	358.29
Deferred tax (asset) on net loss on remeasurements of defined benefit plans	(49.11)	(36.42)
	512.99	1,419.90
Earlier year tax	(74.20)	201.98
	438.79	1,621.88

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

A) Current tax

Particulars

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax including OCI	1,274.75	4,156.85
Income tax rate of Company's domestic tax rate	34.608%	34.608%
Tax using Company's domestic tax rate	441.16	1,438.60
Tax effects of :		
Non-deductible expenses (net)	39.64	1.56
Indexation benefit on freehold land	(21.52)	(12.05)
Tax at special rate - 80JJA and others	(13.18)	(8.21)
Adjustment of tax expense relating to earlier periods	(7.31)	201.98
	438.79	1,621.88

B) Deferred tax

Particulars

	Balance as at 1 April 2016	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2017	Accounted through statement of profit and loss and OCI	Balance as at 31 March 2018
Deferred tax liabilities:					
Accelerated depreciation for tax purposes	488.09	448.34	936.43	95.56	1,031.99
Deferred tax assets:					
Indexation benefit on freehold land	(241.91)	(12.05)	(253.96)	(21.52)	(275.48)
Employee benefits	(64.73)	(46.58)	(111.31)	(18.36)	(129.67)
Expenditure allowable on payment basis	-	(11.72)	(11.72)	11.72	-
Allowance for doubtful debts and advances	-	(56.12)	(56.12)	(46.28)	(102.40)
Deferred tax liabilities, net	181.45	321.87	503.32	21.12	524.44

Notes:

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

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



Creamline Dairy Products Limited

Notes to the consolidated financial statements (continued)

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

Note 40: Related party disclosures

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

I. Name of related parties and nature of relationships:

(i) Ultimate Holding Company:

Godrej Industries Limited

(ii) Holding Company:

Godrej Agrovet Limited (GAVL)

(iii) Subsidiary Companies:

Nagavalli Milkline Private Limited (wholly owned subsidiary of Creamline Dairy Products Limited)

(iv) Key Management Personnel and relatives of such Personnel

- | | | |
|----|------------------------------|---|
| 1 | Mr. K. Bhasker Reddy | (Managing Director – Managerial Services) |
| 2 | Mr. M. Gangadhar | (Executive Director – Managerial Services) |
| 3 | Mr. D. Chandra Shekher Reddy | (Executive Director – Managerial Services) |
| 4 | Mr. C. Balraj Goud | (Executive Director – Managerial Services) |
| 5 | Mr Raj Kanwar Singh | (Chief Executive Officer & Whole Time Director effective from January 29, 2018) |
| 6 | Mr Kapil Sood | (Chief Financial Officer - Till October 25, 2017) |
| 7 | Mr Govind Panduranga Shelar | (Chief Financial Officer - Effective from October 26, 2017) |
| 8 | Mr S.Raghava Reddy | (Company Secretary) |
| 9 | K.Sandhya | (Wife of Mr. K.Bhasker Reddy) |
| 10 | M.Krishna Chaitanya | (Son of Mr. M.Gangadhar) |
| 11 | M.Rama Kumari | (Wife of Mr. M.Gangadhar) |
| 12 | D.Deepika | (Wife of Mr. D. Chandra Shekher Reddy) |
| 13 | C.Manga Raj | (Wife of Mr. C.Balraj Goud) |

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

- 1 KhammamMilkline Private Limited
- 2 DhulipallaMilkline Private Limited
- 3 Mohan Milkline Private Limited
- 4 VidyaMilkline Private Limited
- 5 OngoleMilkline Private Limited
- 6 PamuruMilkline Private Limited
- 7 KavaliMilkline Private Limited
- 8 PragathiMilkline Private Limited
- 9 Orga Farms Private Limited
- 10 Nutramaax Food Specialities Private Limited
- 11 Asha Holdings Private Limited
- 12 PVR Enterprises
- 13 PSR Enterprises
- 14 My Village Model Village Foundation
- 15 Prima Food tech Pvt Ltd

(vi) Other group entities

- 1 Godrej & Boyce manufacturing Company
- 2 Godrej Consumer Products Limited
- 3 Astec Life Sciences Limited
- 4 Natures Basket Limited



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 40: Related party disclosures (continued)

II. Related party transactions during the year:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A Holding Company - Godrej Agrovet Limited		
Expenses charged by/ reimbursement made	21.83	-
Purchase of materials	513.44	481.32
Dividend paid	176.37	-
B Key Management Personnel ('KMP')		
Short Term Employee Benefit:		
Mr. K. Bhasker Reddy	92.93	120.93
Mr. M. Gangadhar	74.80	74.80
Mr. D. Chandra Shekher Reddy	92.84	120.84
Mr. C. BalrajGoud	74.80	74.80
Mr Raj Kanwar Singh	162.28	51.93
Mr. P. Gopala Krishnan	-	53.63
Mr Kapil Sood	23.60	21.29
Mr Govind Panduranga Shelar	13.79	-
Mr S.Raghava Reddy	14.04	11.00
Post Employee Gratuity & Medical Benefits		
Mr. K. Bhasker Reddy	1.33	1.33
Mr. M. Gangadhar	1.32	1.32
Mr. D. Chandra Shekher Reddy	1.32	1.32
Mr. C. BalrajGoud	1.32	1.32
Mr Raj Kanwar Singh	2.47	1.13
Mr. P. Gopala Krishnan	-	2.40
Mr Kapil Sood	0.38	0.78
Mr Govind Panduranga Shelar	0.54	-
Mr S.Raghava Reddy	0.24	0.24
Dividend paid		
Mr. K. Bhasker Reddy	26.06	-
Mr. M. Gangadhar	17.06	-
Mr. D. Chandra Shekher Reddy	25.06	-
Mr. C. BalrajGoud	19.65	-
C Relatives of key management personnel		
Short Term Employee Benefits:		
Sandhya Kondapalli	29.02	29.02
Deepika Devireddy	29.02	29.02
Mangaraj Chinthala	29.02	29.02
Rama Kumari Mandava	29.02	7.25
Krishna Chaitanya Mandava	-	21.76
Post Employee Gratuity & Medical Benefits		
Sandhya Kondapalli	0.98	0.98
Deepika Devireddy	0.98	0.98
Mangaraj Chinthala	0.98	0.98
Rama Kumari Mandava	0.98	0.25
Krishna Chaitanya Mandava	-	0.74
Dividend paid		
Sandhya Kondapalli	8.70	-
Deepika Devireddy	6.15	-
Mangaraj Chinthala	13.03	-
Rama Kumari Mandava	7.54	-
Krishna Chaitanya Mandava	6.93	-



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 40: Related party disclosures (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
D Enterprise over which KMP exercise significant influence with relatives		
Nutramaax Food Specialities Private Limited		
Acquisition of assets under slump sale	-	3,037.79
Inventory and others	-	12.17
Purchases of goods/ services	-	11.73
Asha Holdings Private Limited		
Sale/ transfer of fixed assets	-	300.00
Purchases of goods/ services		
Ongole Milkline Private Limited	3,371.27	2,556.33
Mohan Milkline Private Limited	3,916.71	3,469.07
Vidya Milkline Private Limited	1,063.40	1,289.59
Khammam Milkline Private Limited	1,763.91	1,889.67
Pamuru Milkline Private Limited	1,300.45	1,218.35
Kavali Milkline Private Limited	3,011.86	4,710.68
Pragathi Milkline Private Limited	648.82	1,202.22
Dhulipalla Milkline Private Limited	171.88	1,023.07
Orga Farms Private Limited	188.78	120.04
PVR Enterprises	140.54	55.01
PSR Enterprises	42.90	292.01
Prima FoodTech Private Limited	25.99	-
Sale of goods/ services		
Khammam Milkline Private Limited	19.37	1.35
Kavali Milkline Private Limited	-	5.16
My Village Model Village Foundation		
Corporate Social Responsibility	5.00	5.00
E Fellow subsidiaries		
Godrej & Boyce Mfg Co Limited		
Purchases of goods/ services	39.28	25.21
Godrej Consumer Products Limited		
Expenses Charged to / Reimbursement	6.74	-
Natures Basket Limited		
Intercompany Deposits recovered	-	5,000.00
F Director Sitting Fees		
Directors	2.70	1.84
G Rent paid to relatives of Key Management Personnel		
K.Sandhya	16.54	16.54
M.Rama Kumari	16.47	16.47
D.Deepika	16.47	16.47
C.Manga Raj	16.47	16.47



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 40: Related party disclosures (continued)**III. Related party balances at the end of the year:**

Particulars	As at	
	31 March 2018	31 March 2017
A Holding Company - Godrej Agrovet Limited		
Outstanding payables (Net of receivables)	67.97	11.14
B Enterprise over which KMP exercise significant influence with relatives:		
Outstanding payables :		
Kavali Milkline Private Limited	56.03	32.58
Khammam Milkline Private Limited	65.32	77.65
Mohan Milkline Private Limited	98.95	49.82
Orgaa Farms Private Limited	6.56	0.90
Pamuru Milk Line Private Limited	12.70	27.16
Pragathi Milkline	12.34	9.57
PSR Enterprises	16.94	16.10
PVR Enterprises	13.46	9.38
Vidya MilkLine Private Limited	26.24	10.02
Ongole MilkLine Private Limited.	74.04	19.15
Dhulipalla MilkLine Private Limited.	5.65	13.74
Nutraamax Food Specialities Private Limited	-	(1.71)
Prima FoodTech Private Limited	8.49	-
Payable to key management personnel		
Mr. K. Bhasker Reddy	-	29.12
Mr. M. Gangadhar	-	4.30
Mr. D. Chandra Shekher Reddy	-	31.68
Mr. C. BalrajGoud	-	7.07
Mr Raj Kanwar Singh	-	7.57
Mr Kapil Sood	-	0.50
Mr S.Raghava Reddy	-	0.48
Payable to relatives of key management personnel		
K.Sandhya	-	3.42
M.Rama Kumari	-	3.79
D.Deepika	-	3.42
C.Manga Raj	-	3.42

All transactions with these related parties are priced on arm's length basis and resulting outstanding balances are to be settled in cash within six months of the reporting date. None of the balances are secured



Creamline Dairy Products Limited**Notes to the consolidated financial statements (continued)**

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

Note 41. Business combinations

a) Summary of entities acquired, business, date of control and object of combinations by the Company are given below:

Name of the acquiree	Nutramaax Food Specialties Private Limited ("Nutramaax")	RBS Dairy Farm ("RBS")
Nature of business	Processor of milk and milk products	Processor of milk and milk products
Date of control	1 July 2016	1 February 2017
Type of acquisition	Slump Sale of Assets	Slump Sale of Assets
Object of 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.

b) Fair value of net assets acquired are given below:

Particulars	Nutramaax	RBS
Land and Buildings	1,737.50	2,381.70
Plant and equipment	1,099.05	509.48
Other assets	156.55	90.69
Vehicles	41.77	448.31
Security deposits	2.76	0.15
	3,037.63	3,430.33

c) Computation of Goodwill/(Capital reserve) are given below:

Particulars	Nutramaax	RBS
Fair value of purchase consideration	3,000.01	3,295.00
Less: Fair value of net assets acquired	(3,037.63)	(3,430.33)
Goodwill/(Capital reserve)	(37.62)	(135.33)

Costs relating to acquisition amounting to Rs. 81.64 lakhs which were not directly attributable to the issue of shares were accounted in the statement of profit and loss.



Creamline Dairy Products Limited

Notes to the consolidated financial statements (continued)

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

Note 42 : Specified bank notes

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN)* held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN*	Other denomination notes	Total
Closing Balance as at 8 November 2016	118.36	65.80	184.16
Add: Receipts for permitted transactions	844.28	5,796.36	6,640.64
Less : Paid for permitted transactions	-	283.81	283.81
Less: Deposited in bank accounts	962.64	5,402.24	6,364.88
Closing balance as at 30 December 2016	-	176.11	176.11

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 43 : Corporate social responsibility expenditure

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount required to be spend by the Company	66.40	55.50
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Contribution to NGOs	5.00	42.07
Amount spent by the Company on various welfare activities	38.29	18.09
Total amount spent	43.29	60.16

Note 44 : Dues to micro and small enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	242.48	220.65
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

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



Creamline Dairy Products Limited
Notes to the consolidated financial statements (continued)
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 45 : Borrowings movement

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial

Particulars	As at 1 April	Cash flow	As at	Cash flow	As at
	2016		31 March 2017		31 March 2018
Long-term borrowings	1,213.74	(341.00)	-	(209.77)	(209.77)
Short-term borrowings	4,386.90	559.00	13,689.97	1,672.10	15,362.07
	5,600.64	218.00	13,689.97	1,462.33	15,152.30

There are were no non-cash transactions.

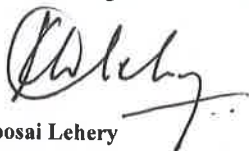
Note 46 : Additional information, as required under Schedule III to the Companies Act, 2013

Name of the entity	Net Assets - total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income (OCI)		Share of total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Creamline Dairy Products Limited	99.03%	19,573.34	100.04%	929.16	100.00%	(92.79)	100.05%	836.37
Subsidiaries								
Indian								
Nagavalli Milkline Private Limited	0.97%	191.52	-0.04%	(0.41)	-	-	-0.05%	(0.41)
	100.00%	19,764.86	100.00%	928.75	100.00%	(92.79)	100.00%	835.96

As per our report of even date attached

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

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



Koosai Leher
 Partner
 Membership No. 112399


K Bhasker Reddy
 Managing Director
 DIN: 00014291


M Gangadhar
 Executive Director
 DIN:00014325


D.Chandra Shekher Reddy
 Executive Director
 DIN: 00063691


C.Balraj Goud
 Executive Director
 DIN: 00063719


Raj Kanwar Singh
 Chief Executive Officer


Govind P Shelar
 Chief Financial Officer

Place: Mumbai
 Date: 2 May 2018


S Raghava Reddy
 Company Secretary

