The Nilgiri Dairy Farm Private Limited

2014-15

Independent Auditors' Report
To the Members of The Nilgiri Dairy Farm PrivateLimited

Report on the Standalone Financial Statements

We have audited the accompanying standalonefinancial statements of The Nilgiri Dairy Farm Private Limited('the Company'), which comprise the Balance Sheet as at 31March 2015, the Statement of Profit and Loss,the Cash Flow Statement for the year then ended,and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

The Nilgiri Dairy Farm Private Limited

Independent Auditors' Report (continued)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Companyso far as it appears from our examination of those books;

(c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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

   i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 5 and 28 to the standalone financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were anymaterial foreseeable losses;

   iii. there were no amounts which were required to betransferred to the Investor Education and Protection Fund by the Company.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Place: Bangalore
Date: 25 May 2015

The Nilgiri Dairy Farm Private Limited

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the The Nilgiri Dairy Farm Private Limited ('the Company') on the standalone financial statements for the year ended 31 March 2015, 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 fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were verified during the previous year and discrepancies identified were resolved during the current year.

(ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchase of certain items of inventories are for the Company's specialised requirements and suitable alternative sources are not available to obtain comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services.We have not observed any major weakness in the internal control system during the course of the audit.

(v) The Company has not accepted any deposits from the public.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products of the Company.

The Nilgiri Dairy Farm Private Limited

Annexure to the Independent Auditors' Report (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, Sales-tax, Value Added Tax, Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Duty of Excise, Duty of Customs and Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax,Service tax, Value Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2014 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 material dues of Service tax, Value Added Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, 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 (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	17,075,505*	Assessment year 2007-08	Commissioner of Income-tax (Appeals)
	Income tax	94,609	Assessment year 2009-10	Commissioner of Income-tax (Appeals)
	Income tax	8,587,739**	Assessment year 2010-11	Deputy Commissioner of Income-tax
	Income tax	1,166,298#	Assessment year 2007-08	Income Tax Appellate Tribunal (ITAT)
	Income tax	1,906,891	Assessment year 2008-09	Income Tax Appellate Tribunal (ITAT)
	Income tax	1,974,909	Assessment year 2009-10	Income Tax Appellate Tribunal (ITAT)
Central Sales Tax Act, 1956 (Karnataka state)	Central sales tax	2,148,680	Financial year 2008-09	Commissioner of Sales-tax

*Against the above amount, Rs. 10,476,580 has been adjusted by the tax authorities from refund due to the Company for the assessment year 2008-09.

**Against the above amount, Rs. 5,232,780 has been adjusted by the tax authorities from refund due to the Company for the assessment year 2012-13.

#Against the above amount, Rs. 1,500,000 has been paid towards the assessment year 2007-08.

The Nilgiri Dairy Farm Private Limited

Annexure to the Independent Auditors' Report (continued)

(viii) *The accumulated losses of the Company as at the end of the financial year are more than fifty per cent of its net worth. The Company has incurred cash losses in the current and immediately preceding financial year.*

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.

(x) According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

(xi) The Company did not have any term loans outstanding during the year.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Place: Bangalore
Date: 25 May 2015

The Nilgiri Dairy Farm Private Limited

Balance sheet

Amount in Rs

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	490,026,800	490,026,800
Reserves and surplus	3	(326,180,628)	(131,391,794)
		163,846,172	358,635,006
Non-current liabilities			
Other long-term liabilities	4	73,870,353	79,548,074
Long-term provisions	5	8,576,054	4,536,848
		82,446,407	84,084,922
Current liabilities			
Short-term borrowings	6	271,140,544	63,345,843
Trade payables	7	83,981,460	100,076,421
Other current liabilities	8	105,773,955	78,212,128
Short-term provisions	9	9,231,143	5,628,060
		470,127,102	247,262,452
		716,419,681	**689,982,380**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	10	123,420,178	140,003,960
- Intangible assets	10	10,008,215	8,872,410
- Capital work-in-progress		979,348	1,051,859
		134,407,741	149,928,229
Non-current investments	11	20,942,680	20,942,680
Long-term loans and advances	12	297,841,033	269,501,699
Other non-current assets	13	1,832,692	1,698,416
Current assets			
Inventories	14	67,472,123	57,248,702
Trade receivables	15	122,603,462	121,032,222
Cash and bank balances	16	35,412,307	2,000,280
Short-term loans and advances	17	26,396,946	44,756,182
Other current assets	18	9,510,697	22,873,973
		261,395,535	247,911,359
		716,419,681	**689,982,383**
Significant accounting policies	1		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached.

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

for and on behalf of the Board of Directors of
The Nilgiri Dairy Farm Private Limited

Sampad Guha Thakurta	**B S Jagdish**	**T V Ranganathan**	**Jaidayal Bajaj**
Partner	*Chairman*	*CFO*	*Company Secretary*
Membership number: 060573			
Place: Bangalore	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date:	Date:	Date:	Date:

The Nilgiri Dairy Farm Private Limited
Statement of profit and loss

Amount in Rs

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
REVENUE			
Revenue from operations			
Gross sales		1,184,326,372	1,145,766,823
Less: Excise duty		-	-
Sales - manufactured / repackaged products	19	1,184,326,372	1,145,766,823
Sales - trading	19	526,135,949	479,209,478
		1,710,462,321	1,624,976,301
Other operating revenues	20	99,175,865	84,919,517
Other income	21	64,631,699	34,498,696
		1,874,269,885	**1,744,394,514**
EXPENSES			
Cost of material consumed	22	959,517,873	910,118,977
Purchases of stock-in-trade		427,381,592	393,628,514
Change in inventories of finished goods and stock-in-trade	23	6,886,769	(12,366,994)
Employee benefits	24	245,240,344	147,254,209
Finance costs	25	14,941,702	6,541,029
Depreciation and amortisation	10	18,120,669	27,310,802
Other expenses	26	388,432,829	284,628,235
		2,060,521,778	**1,757,114,772**
Loss before exceptional items and tax		**(186,251,893)**	**(12,720,258)**
Exceptional items	27	-	76,932,360
Loss before tax		**(186,251,893)**	**(89,652,618)**
Tax expense:			
- Current tax		-	-
Loss for the year		**(186,251,893)**	**(89,652,618)**
Earnings per equity share			
Loss per share (equity share, par value of Rs 100 each)			
Basic and diluted loss per share	32	(862.29)	(415.06)
Significant accounting policies	1		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

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

for and on behalf of the Board of Directors of
The Nilgiri Dairy Farm Private Limited

Sampad Guha Thakurta	**B S Jagdish**	**T V Ranganathan**	**Jaidayal Bajaj**
Partner	*Chairman*	*CFO*	*Company Secretary*
Membership number: 060573			
Place: Bangalore	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date:	Date:	Date:	Date:

The Nilgiri Dairy Farm Private Limited
Notes to the standalone financial statements for the year ended 31 March 2015 (continued)

2 Share capital *Amount in Rs*

	Shares of Rs. 100 each	As at 31 March 2015	As at 31 March 2014
Authorised			
Equity shares			
Class A equity shares of Rs. 100 each	350,000	35,000,000	35,000,000
Class B equity shares of Rs. 100 each	350,000	35,000,000	35,000,000
Class C equity shares of Rs. 100 each	305,000	30,500,000	30,500,000
	1,005,000	100,500,000	100,500,000
1% Redeemable non-cumulative preference shares of Rs. 100 each	4,995,000	499,500,000	499,500,000
0.01% Redeemable non-cumulative preference shares of Rs. 100 each	3,000,000	300,000,000	300,000,000
	7,995,000	799,500,000	799,500,000
		900,000,000	900,000,000

Issued, subscribed and fully paid up

Equity shares **- For cash**	No. of shares 31 March 2015	No. of shares 31 March 2014	As at 31 March 2015	As at 31 March 2014
Class A equity shares of Rs. 100 each	64,509	64,509	6,450,900	6,450,900
Class B equity shares of Rs. 100 each	125,322	125,322	12,532,200	12,532,200
Class C equity shares of Rs. 100 each	26,167	26,167	2,616,700	2,616,700
	215,998	215,998	21,599,800	21,599,800
1% Redeemable non-cumulative preference shares of Rs. 100 each				
- For cash	4,684,270	4,684,270	468,427,000	468,427,000
Total	4,684,270	4,684,270	468,427,000	468,427,000
			490,026,800	**490,026,800**

Shares held by the Holding Company

	31 March 2015		31 March 2014	
	No of shares	% holding	No of shares	% holding
Future Consumer Enterprise Limited				
Class A equity share	64,509	100.00%	-	-
Class B equity share	125,322	100.00%	-	-
Class C equity share	26,079	99.66%	-	-
Actis Nilgiris India Investments Limited				
Class B equity share	-	-	97,671	78%
Class C equity share	-	-	15,933	61%

Reconciliation of the number of shares outstanding at the beginning and at the end of the period

	31 March 2015		31 March 2014	
	No of shares	Amount	No of shares	Amount
Equity shares				
At the commencement of the year	215,998	21,599,800	215,998	21,599,800
Add: shares issued during the year	-	-	-	-
At the end of the year	215,998	21,599,800	215,998	21,599,800

1% Redeemable non-cumulative preference shares of Rs 100 each

	31 March 2015		31 March 2014	
	No of shares	Amount	No of shares	Amount
At the commencement of the year	4,684,270	468,427,000	4,684,270	468,427,000
Add: shares issued during the year	-	-	-	-
At the end of the year	4,684,270	468,427,000	4,684,270	468,427,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the period

2014-15	Number of shares			Amount (Rs.)		
	Opening as at 1 April 2014	Issued during the year	Closing as at 31 March 2015	Opening as at 1 April 2014	Issued during the year	Closing as at 31 March 2015
Class A equity shares of Rs. 100 each	64,509	-	64,509	6,450,900	-	6,450,900
Class B equity shares of Rs. 100 each	125,322	-	125,322	12,532,200	-	12,532,200
Class C equity shares of Rs. 100 each	26,167	-	26,167	2,616,700	-	2,616,700
	215,998	**-**	**215,998**	**21,599,800**	**-**	**21,599,800**

2 Share capital (continued)

2013-14	Number of shares			Amount (Rs.)		
	Opening as at 1 April 2013	Issued during the year	Closing as at 31 March 2014	Opening as at 1 April 2013	Issued during the year	Closing as at 31 March 2013
Class A equity shares of Rs. 100 each	64,509	-	64,509	6,450,900	-	6,450,900
Class B equity shares of Rs. 100 each	125,322	-	125,322	12,532,200	-	12,532,200
Class C equity shares of Rs. 100 each	26,167	-	26,167	2,616,700	-	2,616,700
	215,998	**-**	**215,998**	**21,599,800**	**-**	**21,599,800**

List of persons holding more than five percent shares in the Company

Name of the shareholder	31 March 2015		31 March 2014	
	No of shares	% holding	No of shares	% holding
Equity Shares				
Class A equity shares				
Future Consumer Enterprise Limited	64,509	100.00%	-	-
Siva Industries and Holdings Ltd	-	-	57,498	89.13%
C. Kumar	-	-	3,500	5.43%
S. Raja	-	-	3,510	5.44%
Class B equity shares				
Future Consumer Enterprise Limited	125,322	100.00%	-	-
Actis Nilgiris India Investments Ltd	-	-	97,671	77.94%
Actis Nilgiris South Asia Investments Ltd	-	-	24,418	19.48%
Class C equity shares				
Future Consumer Enterprise Limited	26,079	99.66%	-	-
Actis Nilgiris India Investments Ltd	-	-	15,933	60.89%
Actis Nilgiris South Asia Investments Ltd	-	-	3,983	15.22%
Siva Industries and Holdings Ltd	-	-	4,734	18.09%
1% Redeemable non-cumulative preference shares of Rs 100 each				
Future Consumer Enterprise Limited	4,684,270	100.00%	-	-
Actis Nilgiris India Investments Ltd, Mauritius	-	-	3,753,416	80.13%
Actis Nilgiris South Asia Investments Ltd, Mauritius	-	-	930,854	19.87%

2.1 Rights, preferences and restrictions attached to the equity shares:

Class A, Class B and Class C will rank pari passu except to the extent of retained earnings where Class A and Class B equity shares will be entitled to an aggregate of 15.2% and 84.8% respectively of the retained property profits and Class C equity shares shall not be entitled and have no right to participate in retained property profits of the Company.

349,650 1% redeemable non-cumulative preference shares of Rs 100 each fully paid up, were redeemed on 13 June 2008 out of the general reserve balance (net of debit balance in profit and loss account) as on that date. An amount of Rs 34,965,000 was consequently transferred to capital redemption reserve.

The equity shares have a par value of Rs. 100 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

2.2 Rights, preferences and restrictions attached to preference shares

The authorized capital of the Company includes 4,995,000 1% non cumulative redeemable preference shares of Rs 100 each and 3,000,000 0.01% redeemable non cumulative preference shares of 100 each. The preference shares do not carry any voting rights except in case of class meetings of preference shareholders. The preference shares are redeemable and shall not be converted into equity shares of the Company under any circumstances. Preference shares are redeemable 20 years from the date of allotment of the preference shares at a premium as may be decided by the Board and permitted by the then prevailing law. Redemption of preference shares shall be effective only out of distributable profits of the Company or out of the proceeds of a fresh issue of preference shares by the Company subject to any requisite approvals. The Company can redeem the preference shares prior to the expiry of the term of 20 years within 60 days of approval of the audited accounts for each financial year but not later than 30th September in each year, at a value determined by the Board.

2.3 No bonus shares have been issued and no shares have been bought back during the five years preceeding 31 March 2015.

3 Reserves and surplus

Amount in Rs

	As at 31 March 2015	As at 31 March 2014
Securities premium		
At the commencement of the year	555,980,306	555,980,306
At the end of the year	555,980,306	555,980,306
General reserve		
At the commencement and at the end of the year	145,857,728	145,857,728
Adjustment on account of depreciation (Refer note 10)	(8,536,941)	-
	137,320,787	145,857,728
Capital Redemption Reserve		
At the commencement and at the end of the year	35,090,400	35,090,400
	35,090,400	35,090,400
Deficit (profit and loss balance)		
At the commencement of the year	(868,320,228)	(778,667,610)
Less: Net loss transferred from the Statement of Profit and Loss	(186,251,893)	(89,652,618)
At the end of the year	(1,054,572,121)	(868,320,228)
	(326,180,628)	**(131,391,794)**

4 Other long-term liabilities

	As at 31 March 2015	As at 31 March 2014
Deposit from customers	73,870,353	79,548,074
	73,870,353	**79,548,074**

5 Long-term provisions

	As at 31 March 2015	As at 31 March 2014
Provision for gratuity (refer note no 29)	5,076,054	4,536,848
Provision for claims and contingencies (refer note 28)	3,500,000	-
	8,576,054	**4,536,848**

6 Short-term borrowings

Amount in Rs

	As at 31 March 2015	As at 31 March 2014
Cash credit from banks (secured)*	107,109,851	63,345,843
From related parties:		
Loans from the Holding Company (unsecured)**	164,030,693	-
	271,140,544	**63,345,843**

* The cash credit facility from banks carry an interest rate of 2.5% per annum above the bank's base rate as declared from time to time. The bank's base rate was 10.75% - 11% per annum during the year (previous year 11%-11.25% per annum). The cash credit is repayable on demand. The cash credit is secured by:
-exclusive first charge on the current assets, and on all moveable fixed assets including plant and machinery and equitable mortgage over land and building of the Company;
-corporate guarantee of Appu Nutritions Private Limited;
-corporate guarantee of Nilgiris Franchise Private Limited; and
-corporate guarantee of FCEL, the Holding Company.

** Loans from Future Consumer Enterprise Limited (FCEL), Holding Company are unsecured and carry an interest rate of 12.5% per annum. The loans are repayable on demand.

7 Trade payables

	As at 31 March 2015	As at 31 March 2014
Due to other creditors		
- for goods	78,606,872	88,204,723
- for others	5,374,588	11,871,698
	83,981,460	**100,076,421**

8 Other current liabilities

	As at 31 March 2015	As at 31 March 2014
Accrued expenses	42,013,432	34,897,041
Salaries, wages and incentives payable	22,847,912	21,983,012
Deposit from customers	23,010,466	-
Statutory dues payable	7,422,798	4,009,020
Other payables	7,370,321	2,480,204
Advance from customers	2,293,630	7,513,786
Stale cheques liabilities	807,765	1,062,828
Share application money due for refund	7,293	7,793
Book overdraft	338	6,258,444
	105,773,955	**78,212,128**

9 Short-term provisions

	As at 31 March 2015	As at 31 March 2014
Provision for compensated absences	6,260,025	5,047,324
Provision for gratuity (refer note no 29)	2,971,118	580,736
	9,231,143	**5,628,060**

The Nilgiri Dairy Farm Private Limited

Notes to the standalone financial statements for the year ended 31 March 2015 (continued)

10 Fixed assets

Amount in Rs

Description	Gross block				Accumulated depreciation and amortisation					Net block	
	As at 1 April 2014	Additions during in the year	Disposal/ Adjustments	As at 31 March 2015	As at 1 April 2014	Charge for the year	Disposal/ Adjustments	Adjustments*	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible assets											
Land	45,983,264	-	-	45,983,264	-	-	-	-	-	45,983,264	45,983,264
Buildings	31,583,253	123,680	-	31,706,933	16,823,311	855,357	-	568,900	18,247,568	13,459,365	14,759,942
Plant and machinery	136,679,259	3,467,391	2,451,209	137,695,441	81,129,477	10,448,695	2,186,723	5,682,940	95,074,389	42,621,052	55,549,782
Furniture and Fixtures	14,237,796	86,452	-	14,324,248	9,051,850	746,123	-	1,711	9,799,684	4,524,564	5,185,946
Vehicles	3,979,111	-	-	3,979,111	3,452,547	105,172	-	-	3,557,719	421,392	526,564
Computers	53,033,380	3,426,765	-	56,460,145	37,172,454	3,540,716	-	621,284	41,334,454	15,125,691	15,860,926
Office equipment	3,904,145	1,069,299	31,607	4,941,837	1,766,609	259,880	31,607	1,662,106	3,656,988	1,284,849	2,137,536
	289,400,208	8,173,587	2,482,816	295,090,979	149,396,248	15,955,943	2,218,330	8,536,941	171,670,802	123,420,178	140,003,960
Intangible assets											
Computer Software	144,257,432	3,300,531	-	147,557,963	135,385,022	2,164,726	-		137,549,748	10,008,215	8,872,410
	144,257,432	3,300,531	-	147,557,963	135,385,022	2,164,726	-	-	137,549,748	10,008,215	8,872,410
Total	**433,657,640**	**11,474,118**	**2,482,816**	**442,648,942**	**284,781,270**	**18,120,669**	**2,218,330**	**8,536,941**	**309,220,550**	**133,428,393**	**148,876,370**
Previous year	*408,224,114*	*28,859,347*	*3,425,821*	*433,657,640*	*260,664,052*	*27,310,802*	*3,193,584*	-	*284,781,270*	*148,876,370*	

* During the current year, the estimated residual value is determined as per the requirements of Schedule II to the Companies Act, 2013 (the Act). Accordingly, the incremental depreciation, in respect of assets that have been fully depreciated as at 1 April 2014 in accordance with useful life as per the Act has been adjusted against the opening balance of reserves as on 1 April 14 as per provisions of the Act.
Had the Company continued to follow the depreciation rates as per the Companies Act, 1956, depreciation charge for the year would have been lower by Rs 2,983,762.

11 Non-current investments

(Valued at cost unless otherwise stated) *Amount in Rs*

	As at 31 March 2015	As at 31 March 2014
Unquoted investments		
Investments in equity instruments		
24,990 (previous year: 24,990) equity shares of Nilgiris Franchisee Private Limited, a subsidiary, of Rs 100 each, fully paid up	2,499,000	2,499,000
68,400 (previous year: 68,400) equity shares of Nilgiris Mechanised Bakery Private Limited, a subsidiary, of Rs 10 each, fully paid up	1,012,320	1,012,320
760 (previous year: 760) equity shares of Appu Nutritions Private Limited, a subsidiary, of Rs 1,000 each, fully paid up	17,431,360	17,431,360
	20,942,680	**20,942,680**

Part of Shares of Nilgiris Franchisee Pvt Ltd, Appu Nutritions Pvt Ltd and Nilgiri's Mechanised Bakery Pvt Ltd are pledged against loan taken by Future Consumer Enterprise Limited (FCEL) and Future Agrovet Limited.

12 Long-term loans and advances

	As at 31 March 2015	As at 31 March 2014
Unsecured and considered good:		
To related parties:		
Loan and advances to subsidiaries	138,209,722	148,438,556
To parties other than related parties:		
Rent deposits	95,209,239	70,392,155
Advance income tax and tax deducted at source	51,698,600	47,274,472
Advance given to a franchisee	5,018,989	-
Other receivables	4,662,485	40,920
Security deposits to Government agencies	1,867,084	1,826,474
Balances with Government authorities	1,069,586	1,423,794
Inter corporate deposits	105,328	105,328
	159,631,311	121,063,143
Considered doubtful:		
Rent deposits	72,015,620	70,726,620
Advance given to a franchisee	1,883,000	-
Other receivables	505,389	505,389
	74,404,009	71,232,009
Less: Provision for doubtful loans and advances	(74,404,009)	(71,232,009)
	297,841,033	**269,501,699**

13 Other non-current assets

Amount in Rs

	As at 31 March 2015	As at 31 March 2014
Bank deposit (due to mature after 12 months from the reporting date)	1,832,692	1,698,416
	1,832,692	**1,698,416**

14 Inventories

(valued at lower of cost or net realisable value)

	As at 31 March 2015	As at 31 March 2014
Raw Materials and packing materials	36,342,784	19,575,821
Finished goods	17,870,530	27,946,173
Stock-in-trade	12,256,989	9,068,115
Stores and spares	1,001,820	658,593
	67,472,123	**57,248,702**

15 Trade receivables

	As at 31 March 2015	As at 31 March 2014
Receivable outstanding for a period exceeding six months from the date they become due for payment		
Unsecured, considered good	8,225,918	10,639,471
Unsecured, considered doubtful	394,383,306	410,869,453
Less: provision for doubtful receivables	(394,383,306)	(410,869,453)
	8,225,918	10,639,471
Other receivables		
Unsecured, considered good	114,377,544	110,392,751
Unsecured, considered doubtful	24,666,360	1,018,876
Less: provision for doubtful receivables	(24,666,360)	(1,018,876)
	114,377,544	110,392,751
	122,603,462	**121,032,222**

16 Cash and bank balances

	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents		
Cash on hand	77,921	45,756
Balances with banks		
- On current accounts	34,471,759	1,942,493
Other bank balances	862,627	12,031
	35,412,307	**2,000,280**

Details of bank balances/deposits

	As at 31 March 2015	As at 31 March 2014
Bank deposits due to mature within 12 months of the reporting date	862,627	12,031
Bank deposit (due to mature after 12 months from the reporting date)	1,832,692	1,698,416
	2,695,319	1,710,447

17 Short-term loans and advances

	As at 31 March 2015	As at 31 March 2014
To parties other than related parties		
Unsecured considered good:		
Rent deposits	12,453,395	18,272,660
Prepaid expenses	4,859,680	5,483,465
Advance to vendors	4,005,105	6,657,757
Staff advances	513,557	12,770,097
Statutory dues receivable	309,961	1,115,824
Advance recoverable in cash or kind or for value to be received	4,255,248	456,379
	26,396,946	44,756,182
Considered doubtful:		
Other advances	434,761	434,761
	434,761	434,761
Less: Provision for doubtful loans / advances	(434,761)	(434,761)
	26,396,946	**44,756,182**

18 Other current sssets

	As at 31 March 2015	As at 31 March 2014
Accrued income	35,670,187	34,271,553
Less: Provision for doubtful accrued income	(26,460,818)	(11,700,000)
Interest accrued but not due	301,328	302,420
	9,510,697	**22,873,973**

19 Revenue from operations

Amount in Rs

	For the year ended 31 March 2015	For the year ended 31 March 2014
Sales		
- Finished goods	1,184,326,372	1,145,766,823
- Traded goods	526,135,949	479,209,478
	1,710,462,321	**1,624,976,301**
Break-up of revenue from sale of products		
Manufactured goods		
Milk	231,750,536	263,289,330
Milk products	338,412,616	307,985,519
Staples	614,163,220	574,491,974
	1,184,326,372	**1,145,766,823**
Traded goods		
Bakery products	208,991,874	217,910,218
Others	317,144,075	261,299,260
	526,135,949	**479,209,478**

20 Other operating revenue

	For the year ended 31 March 2015	For the year ended 31 March 2014
Franchisee fees	60,734,531	54,754,035
Technical knowhow fees	18,531,504	12,605,393
Brand usage income	5,300,000	5,300,000
Conversion charges	4,629,740	4,846,488
Miscellaneous income	9,980,090	7,413,601
	99,175,865	**84,919,517**

21 Other income

	For the year ended 31 March 2015	For the year ended 31 March 2014
Liabilities no longer required written back	23,379,436	615,951
Interest on inter corporate deposits	20,171,419	18,596,485
Rental income from property leases	15,219,058	13,200,000
Miscellaneous income	4,954,962	1,796,688
Interest on deposits	906,824	289,572
	64,631,699	**34,498,696**

22 Cost of materials consumed

	For the year ended 31 March 2015	For the year ended 31 March 2014
Inventory of materials at the beginning of the year	20,234,414	18,570,770
Add: Purchases	976,628,063	911,782,621
	996,862,477	930,353,391
Less: Inventory of materials at the end of the year	37,344,604	20,234,414
	959,517,873	**910,118,977**

27 Cost of materials consumed (continued)

Break up of cost of materials consumed *Amount in Rs*

	For the year ended 31 March 2015	For the year ended 31 March 2014
Milk	360,982,858	180,938,688
Others	598,535,015	729,180,289
	959,517,873	**910,118,977**

Break up of inventory - materials

	As at 31 March 2015	As at 31 March 2014
Milk	1,467,535	1,459,312
Packing materials	13,097,555	12,212,366
Others	22,779,514	6,562,736
	37,344,604	**20,234,414**

Break up of purchase of stock in trade

	As at 31 March 2015	As at 31 March 2014
Bakery products	232,575,760	241,707,592
Others	194,805,832	151,920,922
	427,381,592	**393,628,514**

23 Changes in inventory of finished goods and stock in trade

	For the year ended 31 March 2015	For the year ended 31 March 2014
Manufactured goods		
Opening inventory	27,946,173	16,730,556
Closing inventory	(17,870,530)	(27,946,173)
Decrease / (increase) in inventory	10,075,643	(11,215,617)
Trading goods		
Opening inventory	9,068,115	7,916,738
Closing inventory	(12,256,989)	(9,068,115)
Increase in inventory	(3,188,874)	(1,151,377)
Total	**6,886,769**	**(12,366,994)**

Break-up of finished goods

	As at 31 March 2015	As at 31 March 2014
Milk products	3,969,647	14,906,591
Staples	10,212,499	10,881,089
Others	3,688,384	2,158,493
	17,870,530	**27,946,173**

Break-up of traded goods

	As at 31 March 2015	As at 31 March 2014
Bakery products	12,256,989	9,068,115
	12,256,989	**9,068,115**

24 Employee benefits

Amount in Rs

	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries, wages and bonus (including incentives)	226,542,463	129,808,085
Contribution to provident and other funds	12,792,813	10,168,872
Staff welfare expenses	5,905,068	7,277,252
	245,240,344	**147,254,209**

25 Finance costs

	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest expenses	14,941,702	6,541,029
	14,941,702	**6,541,029**

26 Other expenses

	For the year ended 31 March 2015	For the year ended 31 March 2014
Freight and transportation	58,475,259	61,326,677
Rent	58,344,171	28,907,490
Selling, distribution and marketing expenses	52,009,759	43,283,442
Labour contract charges	53,312,033	45,681,442
Legal and professional fees	38,115,508	8,327,345
Provision for doubtful trade receivables	31,821,077	16,636,243
Repair and maintenance:		
Computer	20,970,104	25,302,468
Plant and machinery	4,256,314	4,237,886
Buildings	3,305,499	3,269,814
Others	218,555	533,288
Provision for doubtful loans and advances	16,049,818	-
Power and fuel	15,497,620	13,325,770
Travelling expenses	10,926,861	10,944,062
Provision for claims and contingencies	3,500,000	-
Security charges	6,596,066	5,759,151
Telephone and other communication expenses	3,804,024	4,581,029
Rates and taxes	3,142,132	2,919,189
Payment to auditors		
- Statutory audit fees	1,100,000	1,100,000
- Other fees	650,000	-
- Reimbursement of expenses	138,243	30,692
Consumption of stores and spares	2,157,056	3,060,753
Printing and stationery	2,104,178	2,656,162
Insurance	1,043,203	1,203,084
Bank charges	285,139	454,279
Loans and advances written off	108,164	91,781
Miscellaneous expenses	502,046	996,188
	388,432,829	**284,628,235**

27 Exceptional items

	For the year ended 31 March 2015	For the year ended 31 March 2014
Provision for doubtful deposit and trade receivables*		76,932,360
	-	**76,932,360**

* During the previous year the Company had created provision for doubtful deposit, trade and other receivables from certain franchisees on account of ongoing legal dispute. The Company, given the significance of such adjustments, have disclosed these as exceptional items.

28 Contingent liabilities and commitments (Amount in Rs)

	As at 31 March 2015	As at 31 March 2014
(a) Claims against the Company not acknowledged as debts (refer note below)		
-Direct Taxes (Income Tax)	30,805,951	42,779,051
-Indirect Taxes (Central Sales Tax)	2,148,680	345,487
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for	32,590	17,806
(c) Guarantee in favour of third party for loan availed by a subsidiary company	31,788,000	31,788,000

(d) Litigations:
The Company is involved in certain legal disputes with certain of its franchisees for commercial matters that have arisen from time to time in the ordinary course of business. A number of these claims/ disputes relate to recovery of arrears of rent, damages claimed by franchisees etc. on termination of the franchisee agreement. These matters which are presently in different stages of legal proceedings are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss are difficult to ascertain. Consequently, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the dispute. Further, the Company is involved in certain other commercial, labour etc. disputes. The Company is contesting these claims/ disputes and the management has made provisions for seven of these matters wherever it is probable that a loss might be incurred (also refer note 5). The Company's management believes that outcome of these disputes would not have a material impact on the Company’s financial position.

Note:
Claims against the Company not acknowledged as debts include demand from the Indian Income tax authorities for the payment of tax of Rs.30,805,951 upon completion of their tax assessments for assessment years 2007-08, 2008-09, 2009-10 and 2010-11.

The Commissioner of Income-tax Appeals has upheld the demand raised for assessment years 2007-08, 2008-09 and 2009-10 in relation to payments made to a Singapore resident towards consultancy charges and held that the payments partake the character of Fees for technical services both under the Act and the India-Singapore Treaty, and accordingly, are liable for deduction of withholding taxes. The Company has paid Rs.1,500,000 during the year ended 31 March 2015 under protest and has filed an Appeal with the Income Tax Appellate Tribunal (ITAT).

Further, Income Tax demand has been raised against the Company for assessment years 2007-08, 2009-10 and 2010-11 on disallowance of certain expenses and disallowances under section 40(a)(i) for non-deduction of taxes on payment of fees for consultancy services to a non-resident and disallowance of prior period expenses. The matter is pending before Commissioner of Income tax (Appeals) for AY 2007-08 and Deputy Commissioner of Income-tax for AY 2010-11.

The Company is contesting the above mentioned demands and the management believes that its position will likely be upheld in the appellate process. The management believes that the outcome of these proceedings will not have material adverse effect on the Company's financial position and results of operations.

29 Post retirement benefit- defined benefit plans:

The Gratuity plan is a defined benefit plan. Under the Gratuity plan every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. Gratuity is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The Company contributes to the Nilgiri Dairy Farm Private Limited Employees Gratuity Trust Fund which is maintained by the Life Insurance Corporation of India.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the plan.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	For the year ended 31 March 2015	For the year ended 31 March 2014
Obligation at the beginning of the year	**7,982,721**	**6,161,702**
Current service cost	2,079,269	1,478,035
Interest cost	591,717	537,085
Benefit settled	(889,842)	(545,232)

Actuarial loss	1,406,309	351,131
Obligation at the end of the year	**11,170,174**	**7,982,721**

29 Post retirement benefit- defined benefit plans (continued)

Reconciliation of opening and closing balances of the fair value of the plan assets (Amount in Rs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Plan assets at the beginning of the year at fair value	2,865,139	2,683,971
Expected return on plan assets	229,211	214,718
Actuarial loss/ (gain)	28,652	(33,550)
Plan assets at the year end	**3,123,002**	**2,865,139**

Reconciliation of the present value of the obligation and fair value of plan assets

	As at 31 March 2015	As at 31 March 2014
Present value of obligation	11,170,174	7,982,721
Present value of plan assets	(3,123,002)	(2,865,139)
Amount recognised in balance sheet	**8,047,172**	**5,117,582**
Disclosed as:		
Current portion (included in short term provisions)	2,971,118	580,736
Non - current portion (included in long term provisions)	5,076,054	4,536,848

Expenses recongnised in the Statement of Profit and Loss	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	2,079,269	1,478,035
Interest cost	591,717	537,085
Expected return on plan assets	(229,211)	(214,718)
Actuarial loss	1,377,657	384,681
Net cost	**3,819,432**	**2,185,083**

Assumptions	As at 31 March 2015	As at 31 March 2014
Discount rate	7.85%	9.12%
Expected rate of return on assets (p.a)	8.00%	8.00%
Salary escalation rate	6.00%	6.00%
Attrition rate	12.00%	5.00%

Amounts for the current and previous four periods are as follows:

	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Defined benefit obligation	11,170,174	7,982,721	6,161,702	4,032,165	4,334,864
Fair value of plan assets	(3,123,002)	(2,865,139)	(2,683,971)	(2,485,158)	(2,311,725)
Deficit in plans	14,293,176	10,847,860	8,845,673	6,517,323	2,023,139
Experience adjustments arising on plan liabilities	28,652	(33,550)	(107,352)	(702,516)	(1,365,740)

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(iv) The Company expects Rs. Nil (previous year Rs. Nil) as contribution to be paid to defined benefit plants in the next year.

The Nilgiri Dairy Farm Private Limited

Notes to the standalone financial statements for the year ended 31 March 2015 (continued)

30 Segment reporting

The primary segments of the Company are its business segments which are as follows:

(i) **Dairy division -**This division is involved in manufacture and sale of milk and dairy products.

(ii) **Trading, bakery and other divisions -** This division is involved in sale of bakery items and manufacture and trading of fast moving consumer goods and other traded items.

The accounting policies used in the preparation of the standalone financial statements are also consistently applied to record revenue and expenditure in individual segments.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other costs, wherever allocable, are apportioned to the segments on an appropriate basis. Certain income and expenses are not specifically allocable to individual segments as the underlying assets and services are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such income and expenses and accordingly such expenses are separately disclosed as 'unallocated' and directly charged against total income.

Assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly these are separately disclosed as 'unallocated'. All the fixed assets are located primarily in India.

The Company does not have any revenue from export and it does not have any asset or liabilities outside India therefore only geographical segment is "India".

30 Segment reporting (continued)

(Amount in Rs)

		Dairy	Trading, Bakery and other divisions	Total
REVENUE				
Segment revenue	2014-15	570,163,152	1,140,299,169	1,710,462,321
	2013-14	*571,274,849*	*1,053,701,452*	*1,624,976,301*
Add:				
Interest income	2014-15	-	-	21,078,243
	2013-14	-	-	18,886,057
Other unallocable income	2014-15	-	-	142,729,321
	2013-14	-	-	*100,532,156*
Total revenue	2014-15	-	-	1,874,269,885
	2013-14	-	-	*1,744,394,514*
Segment results	2014-15	43,768,090	159,371,075	203,139,165
	2013-14	*69,153,118*	*162,032,848*	*231,185,966*
Less:				
Allocable Interest expense	2014-15	7,665,619	-	7,665,619
	2013-14	*4,451,589*	-	*4,451,589*
Unallocable Interest expense	2014-15	-	-	7,276,083
	2013-14	-	-	*2,089,440*
Other unallocable expense excluding exceptional items	2014-15	-	-	374,449,356
	2013-14	-	-	*237,365,192*
Loss before tax and exceptional items	2014-15	-	-	(186,251,893)
	2013-14	-	-	*(12,720,258)*
Exceptional items expense/ (income)	2014-15	-	-	-
	2013-14	-	-	*76,932,360*
Loss after tax	2014-15	-	-	(186,251,893)
	2013-14	-	-	*(89,652,618)*

OTHER INFORMATION

Segment assets	2014-15	180,862,527	106,298,468	287,160,995
	2013-14	*111,869,158*	*54,621,035*	*166,490,193*
Unallocated corporate assets	2014-15	-	-	429,258,686
	2013-14	-	-	*523,492,190*
Total assets	2014-15	-	-	716,419,681
	2013-14	-	-	*689,982,383*
Segment liabilities	2014-15	13,072,647	52,817,915	65,890,562
	2013-14	*30,380,548*	*63,111,428*	*93,491,976*
Unallocated corporate liabilities	2014-15	-	-	486,682,947
	2013-14	-	-	*237,855,398*
Total liabilities	2014-15	-	-	552,573,509
	2013-14	-	-	*331,347,374*
Capital expenditure during the year	2014-15	2,338,121	2,141,115	4,479,236
	2013-14	*3,511,702*	*2,237,366*	*5,749,068*
Unallocable capital expenditure during the year	2014-15	-	-	6,994,882
	2013-14	-	-	*23,110,278*
Depreciation and amortisation expense	2014-15	7,532,060	4,283,124	11,815,184
	2013-14	*5,051,477*	*1,420,111*	*6,471,588*
Unallocated Depreciation and amortisation expense	2014-15	-	-	6,305,486
	2013-14	-	-	*20,839,215*

31 Operating leases

The Company is obligated under cancellable operating leases for stores and office premises, which are renewable at the option of both the lessor and the lessee. Total rental expenses under cancellable operating leases amount to Rs 28,195,371 for the year ended 31 March 2015 (previous year: Rs 25,171,224).

The Company is obligated under non-cancellable operating leases for stores and office premises which is renewable on a periodic basis at the option of both the lessor and lessee. Total rental expense under non-cancellable operating lease amounts to Rs. 5,148,800 for the year ended 31 March 2015 (previous year: Rs 3,736,266). Further, during the year, the Group settled a legal dispute with one of the lessors and paid an amount of Rs 25,000,000 towards all outstanding rent claims.
Future minimum lease payments under non-cancellable operating lease are as follows:

Lease rental tenure		(Amount in Rs)
	As at 31 March 2015	**As at 31 March 2014**
Not later than one year	2,925,000	2,748,800
Later than one year but not later than 5 years	11,934,000	13,001,520
Later than 5 years	-	2,268,000

The Company has leased/sub-leased certain premises to its franchisees and to third parties under cancellable operating leases. The rental income on such assets is Rs. 15,219,058 (Previous year : Rs.13,200,000).

32 Earnings per share

	For the year ended 31 March 2015	**For the year ended 31 March 2014**
Loss attributable to the equity shareholders	(186,251,893)	(89,652,618)
Weighted average number of equity shares outstanding during the year	215,998	215,998
Nominal value of equity shares (Rs.)	100	100
Basic and diluted loss per share (Rs.)	(862.29)	(415.06)

The Company did not have any potentially dilutive equity shares during the year.

33 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financials statements based on information received and available with the Company. Further in 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.

The Nilgiri Dairy Farm Private Limited

Notes to the standalone financial statements for the year ended 31 March 2015 (continued)

34 Related party disclosures

(i) Names of related parties:

Related parties with whom control exists but with which no transactions have taken place during the year

Holding company	Actis Nilgiris India Investments Limited (upto 19 November 2014)

Related parties with whom control exists and transactions have taken place during the year

Holding company	Future Consumer Enterprise Limited (FCEL) (from 20 November 2014)

Related parties with whom transactions have taken place during the year:

Subsidiary Company	Nilgiris Franchise Private Limited (NFPL) Nilgiris Mechanised Bakery Private Limited (NMB) (from 20 November 2012) Appu Nutritions Private Limited (Appu) (from 20 November 2012)
Fellow subsidairy company	Future Agrovet Limited ('FAL') (merged with FCEL w.e.f. 1 April 2014 as per order passed by
Whole-time director	Mr. B S Jagdish (from 20 November 2014)
Director	Mr. Padmanabh P Vora (Upto 20 November 2014)

(ii) Related party transactions

Nature of transactions with related parties	For the year ended 31 March 2015	For the year ended 31 March 2014
Nilgiris Franchise Private Limited		
Repayment of loan by NFPL	-	4,027,363
Sale of goods	834,679	
Brand usage charges	5,300,000	5,300,000
Reimbursement of expenses incurred by the Company on behalf of NFPL		
Cost sharing for common personnel cost, conveyance, communication	5,007,339	3,667,434
Nilgiris Mechanized Bakery Private Limited		
Sale of goods	6,289,194	5,159,045
Purchase of goods	176,681,128	183,626,522
Repayment of loan	-	1,800,000
Interest on inter-corporate deposit	-	15,058,893
Reimbursement received for expenses (netted of with respective expense head)		
- Diesel Expenses	9,725	-
Appu Nutritions Private Limited		
Sale of goods	2,204,554	2,048,941
Purchase of goods	1,411,810	599,926
Cost sharing for common personnel cost	4,556,827	4,210,000
Payment of diesel cost	440,754	-
Loan given	-	18,306,000
Repayment of loan	10,228,834	11,236,000
Interest on inter-corporate deposit	-	3,537,592
Future Agrovet Limited		
Purchase of goods	412,463	-
Future Consumer Enterprise Limited		
Sale of goods	840,949	-
Purchase of goods	1,849,411	-
Loan taken	164,030,693	-
Interest on inter-corporate deposit	3,909,949	-
Remuneration to whole-time director	785,588	-

Sitting fees paid to director	700,000	-

34 Related party disclosures (continued)

Outstanding as at year end	As at 31 March 2015	As at 31 March 2014
Nilgiris Franchise Private Limited		
Trade receivables	25,523,809	20,407,290
Nilgiris Mechanised Bakery Private Limited		
Loan given	117,550,504	117,550,504
Trade payable	-	6,395,038
Trade receivable	11,532,440	-
Appu Nutritions Private Limited		
Loan given	20,659,218	30,888,052
Trade receivable	942,509	-
Trade payable		6,351,662
Guarantee in favour of third party for loan availed	-	31,788,000
Future Consumer Enterprise Limited		
Trade payable	3,732,873	-
Loan taken	164,030,693	-
Future Agrovet Limited		
Trade payable	10,320	-
Guarantees and collaterals		
Joint corporate guarantee given by Nilgiris Franchise Private Limited in favour of third party for loan availed by the Company	50,000,000	50,000,000
Guarantee in favour of third party for loan availed by Appu Nutritions Pvt. Ltd.	30,000,000	40,000,000
Land pledged by Nilgiris Franchise Private Limited with third parties against loan availed by the Company	2,161,125	2,161,125

35 Deferred Taxes (Amount in Rs)

	As at 31 March 2015	As at 31 March 2014
Deferred Tax Assets		
Provision for employee benefits	4,641,970	3,298,004
Provision for expenses	382,221	419,755
Provision for claims	1,135,575	-
Provision for doubtful trade receivables	135,960,664	133,637,168
Provision for doubtful loan and advances	32,866,651	27,048,349
Unabsorbed losses as per Income Tax Act, 1961	47,518,325	179,150,523
	222,505,406	343,553,799
Deferred Tax Liability		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	11,093,339	12,552,274
	11,093,339	12,552,274
Net deferred tax assets	**211,412,067**	**331,001,525**

Recognition of deferred tax asset on timing differences have been restricted to the extent there exists deferred tax liabilities. The Company has not recognised deferred tax asset on carry forward losses and other temporary timing differences in the absence of "Virtual Certainty" of realisation of such assets in future in accordance with AS 22 – "Accounting for taxes on income".

36 The Company did not have any import and has not incurred any expenditure in foreign currency during the current and previous year. The Company also did not have any earnings in foreign currency during the current year and previous year. The Company does not have any imports during the year (previous year: NIL).

37 The Company has not paid any managerial remuneration during the year (previous year: Nil).

The Nilgiri Dairy Farm Private Limited

Notes to the standalone financial statements for the year ended 31 March 2015 (continued)

38 Previous year's figures have been regrouped, where necessary, to confirm to the current year's classification.

As per our report of even date attached.

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

for and on behalf of the Board of Directors of
The Nilgiri Dairy Farm Private Limited

Sampad Guha Thakurta
Partner
Membership number: 060573
Place: Bangalore
Date:

B S Jagdish
Chairman
Place: Mumbai
Date:

T V Ranganathan
Chief Finance Officer
Place: Mumbai
Date:

Jaidayal Bajaj
Company Secretary
Place: Mumbai
Date: