



UFM INDUSTRIES LIMITED

MEHERPUR, SILCHAR-788 015
ASSAM

32ND ANNUAL REPORT

2017-2018

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Corporate Information

CIN: L15311AS1986PLC002539

Board of Directors Shri Mahabir Prasad Jain Managing Director	Registered Office & Works Meherpur, Silchar, Assam-788 015
Shri Avishek Jain Director & Chief Financial Officer	Balajan Dhubri, Assam – 783331
Smt. Tara Rani Jain, Director,	Corporate Office 404, Mangalam, 24 Hemant Basu Sarani, Kolkata – 700 001
Shri Deepak Ladia, Independent Director	Registered & Share Transfer Agents Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700001
Shri Poonam Chand Deewani, Independent Director	Bankers United Bank of India
Company Secretary Smt. Jyoti Jain	
Auditors M/s P.A. Agarwal & Co. Chartered Accountants 5 th Floor Narbada Building, K.C. Choudhury Road, Guwahati, Assam - 781001	

UFM INDUSTRIES LIMITED

CIN: L15311AS1986PLC002539

Regd. Office: Meherpur, Silchar, Assam – 788 015

Tel: 03842 – 224822/224996, Fax: 03842 – 241539

Email: ufmindustries@rediffmail.com Website: ufmindl.weebly.com**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of **UFM Industries Limited** will be held on Friday, 28th September, 2018 at 2:00 P.M. at Registered Office of the Company at Meherpur, Silchar – 788 015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Tara Rani Jain (DIN: 00545789), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Revision in remuneration of Mr. Mahabir Prasad Jain, Managing Director**

To consider and if thought fit, to pass the following as a Special Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of sections 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V to the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded to the revision in remuneration of Mr. Mahabir Prasad Jain (DIN: 00498001) for the remaining period of his tenure from 1st July, 2017;

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits, Managing Director of the Company be paid remuneration within the overall applicable limit as set out in the provisions of Schedule V to the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:Meherpur, Silchar
Assam - 788015By Order of the Board
For UFM Industries LimitedDated: 14th August, 2018
Place: Silchar**Jyoti Jain**
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rules made thereunder, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing the proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. Members holding shares in the physical form are requested to notify changes in address, email id, bank mandate and bank particulars, if any, under their signatures to M/s. Niche Technologies Private Limited, D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700001, the Registrars and Share Transfer Agents (RTA) of the Company, quoting their Folio numbers. Members holding shares in electronic form may update such information with their respective Depository Participants.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now register the same by writing to the Registrar of the Company at the following address: -

Niche Technologies Private Limited,
D-511, Bagree Market,
71, B.R.B. Basu Road,
Kolkata - 700001

Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed Form SH-13 with the RTA. Nomination form can be downloaded from the Company's website: www.ufmindl.weebly.com under the section 'Investor Information'. In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN

card along with the Transfer Deed. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.

8. Members seeking information regarding financial accounts of the Company are requested to write to the Company at least 7 (seven) days before the date of meeting so as to enable the management to keep the information ready.
9. All documents meant for inspection and referred to in the Notice and accompanying Annual Report are open for inspection at the Registered Office of the Company during office hours between 11:00 A.M to 1:00 P.M on all working days till the date of the Annual General Meeting (AGM) and will be also available for inspection at the Meeting.
10. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM. Members are requested to bring their admission slip along with the copy of the Annual Report at the Annual General Meeting.
11. Additional information in respect of the Director seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting are furnished as an Annexure and forms a part of the Notice. The Director has furnished the requisite consents/ declarations for his appointment/re-appointment.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (both days inclusive).
13. Members may also note that the Notice of the AGM and the Annual Report will also be available on the Company's website, www.ufmindl.weebly.com for their download.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
15. In compliance with the provision of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all the Members to enable them to cast their vote electronically in respect of business to be transacted at the Meeting, for which the Company has engaged the services of Central Depository Services Limited (CDSL). The Members holding shares either in physical form or in dematerialized form, desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
16. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members who have not cast their votes by remote e-voting as on Cut-off date **i.e. Friday, 21st September, 2018** shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who cast their votes by remote e-voting prior to the meeting, may attend the meeting but will not be entitled to cast their vote again.

17. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 21st September, 2018**, are entitled to vote on the Resolutions set forth in this Notice and a person who is not a Member as on cut-off date should treat this notice for information purpose only. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
18. The remote e-voting period will commence at 9.00 a.m. on Tuesday, 25th September, 2018 and will end at 5.00 p.m. on Thursday, 27th September, 2018. The Company has appointed Mr. Sanjay Kumar Baid, Practicing Company Secretary (Membership no. F5752), to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting.
19. The Route map of the venue of Annual General Meeting is annexed at the end of this Notice.

20. PROCEDURE FOR REMOTE E-VOTING

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for remote e-voting are as under:

A. In case of Members who receive the Notice in electronic mode:

- i) Launch an internet browser and open [https:// www.evotingindia.com](https://www.evotingindia.com)
- ii) Click on Shareholders/Members tab.
- iii) Insert 'User ID'
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.

and enter the image verification as displayed and click 'Login'.

- iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- v) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Bank Account Number (DBD)	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio. <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iii).

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for the relevant Company Name i.e. **UFM Industries Limited** on which you choose to vote.
- x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your Vote.
- xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) Note for Institutional Shareholders & Custodians :
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533.
- xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
21. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.ufmindl.weebly.com and on the website of CDSL. The same will be communicated to the stock exchanges viz. BSE Limited and The Calcutta Stock Exchange Ltd., where the shares of the company are listed.

By Order of the Board
For **UFM Industries Limited**

Dated: 14th August, 2018
Place: Silchar

Jyoti Jain
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

Item No. 3:

The Members of the Company at the 29th Annual General Meeting held on 30th September, 2015 had approved the re-appointment of Mr. Mahabir Prasad Jain as the Managing Director of the Company effective from for a period of five years.

Keeping in view, the vast experience of Mr. Mahabir Prasad Jain, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 15th June, 2018 recommended the revision in remuneration to '1,50,000/- per month payable to Mr. Mahabir Prasad Jain effective from 1st July, 2018. All other terms & conditions of his appointment remain unchanged.

In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with section 196 and 197 of the Companies Act, 2013, shall be payable.

Details of Mr. Mahabir Prasad Jain as required to be given pursuant to the Listing Regulations and Secretarial Standards are attached to the Notice.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Mahabir Prasad Jain, Mr. Avishek Jain and Mrs. Tara Rani Jain are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Board recommends the resolution as set out in the Notice for the approval of the Members of the Company

Statement pursuant to provisions of Schedule V of the Companies Act, 2013 with respect to Item No. 3 of the Notice

I.	<u>General Information</u>				
1.	Nature of industry	Flour Mill			
2.	Date of certificate of commencement of business	Not Applicable			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4.	Financial performance based on given indicators	For the Financial Year (` in Lakhs)			
		2017-18	2016-17	2015-16	
		Revenues	6,814.84	6,681.92	3,945.62
		Net Profit/ (Loss) before Tax	71.31	95.84	43.97
	Dividend %	Nil	Nil	Nil	
5.	Export performance and net foreign exchange collaborations, if any	Nil			
6.	Foreign investments or collaborators if any	Nil			
II.	<u>Information about the Appointee</u>				

1.	Background details	Mr. Mahabir Prasad Jain has been appointed as the Managing Director of the Company with effect from 1 st July, 2015. He is a commerce graduate and has done Diploma in Business Management in Delhi, Short term Flour making course at C.F.T.R.I., Mysore and Short term Flour making course at Cansas University, U.S.A. and is having 43 years of experience in manufacturing and distribution of agro products namely Atta, Maida, semolina etc.
2.	Past remuneration	₹ 12,00,000/- per annum
3.	Job profile and his suitability as Director	He possesses multiple skill and actively controls the production, purchase and Business Operations.
4.	Remuneration proposed	₹ 18,00,000/- per annum for the remaining period of his tenure.
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration proposed is on par with current industry standards.
6.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed, Mr. Mahabir Prasad Jain does not have any pecuniary relationship with the Company. He is related to Mr. Avishek Jain and Mrs. Tara Rani Jain, Promoter Directors of the Company
III. Other Information		
1.	Reasons of loss or inadequate profits	The Company has been consistently registering profits in the past Financial years but the adjusted net profits are inadequate as per section 198 of the Companies Act, 2013 for payment of managerial remuneration.
2.	Steps taken or proposed to be taken for improvement	The Company has initiated certain steps such as cost control, borrowing at cheaper rates, and improving efficiency etc. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins.
3.	Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in current year

By Order of the Board
For **UFM Industries Limited**

Jyoti Jain
Company Secretary

Dated: 14th August, 2018
Place: Silchar

ANNEXURE TO ITEM NO. 2 and 3 OF THE NOTICE

Details of Director seeking appointment/ re-appointment at the forthcoming Annual General Meeting
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meeting]

Name of the Director	Mrs. Tara Rani Jain	Mr. Mahabir Prasad Jain
DIN	00545789	00498001
Age (Years)	64 years	68 years
Nationality	Indian	Indian
Qualification	Undergraduate	Commerce Graduate, Diploma in Business Management
Experience (years)	25	43
Expertise in special functional Area	Administration	Overall Business operations
Date of First Appointment on the Board of the Company	23/03/2015	04/06/1986
Terms & condition of re-appointment	Director; Liable to retire by rotation	Managing Director; Not Liable to retire by rotation
Details of remuneration sought to be paid and remuneration last drawn (₹)	NIL	Sought to be paid: ₹ 1,50,000/- per month Remuneration last drawn: ₹ 1,00,000/- per month
Shareholding in the Company [Equity share of face value ₹ 10/- each]	3,34,108	3,77,415
Relationship between the Directors inter se and other Key Managerial Person	Related to Mr. Mahabir Prasad Jain (Husband) and Mr. Avishek Jain (son)	Related to Mrs. Tara Rani Jain (wife) and Mr. Avishek Jain (son)
No. of Board Meetings attended during the year	5	6
List of Directorship held in other Companies (excluding Foreign Company)	<ol style="list-style-type: none"> 1. Lalit Poly Weave LLP 2. Arihant Sugar Limited 3. Radio Supply Stores (Cinema) Pvt Ltd 4. Shri Lalit Cold Storage Private Limited 	<ol style="list-style-type: none"> 1. Arihant Sugar Limited 2. Lalit Poly Weave LLP 3. Radio Supply Stores (Cinema) Pvt Ltd 4. Sethi Oil Field & Services Private limited 5. Nidhi Creative Infrastructure Private limited 6. Shri Lalit Cold Storage Private Limited 7. Shri Lalit Realcon Private Limited 8. Namokar Marketing Limited 9. Harak Chand Investment Limited 10. Goldstone Cements Limited
Membership/ Chairmanships of Committees of Boards of other Companies. (only Audit Committee and Stakeholders' Relationship Committee have been considered)	Nil	Nil

DIRECTORS' REPORT & MANAGEMENT DISCUSSION ANALYSIS

Dear Shareholders,

Your Directors have pleasure in presenting the 32nd Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss for the year ended on that date.

FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company for the financial year ended 31st March, 2018 as compared to the previous financial year are as under: -

(` in Lakhs)

Particulars	2017-18	2016-17
Net Sales / Income	6849.36	6778.37
Profit Before Depreciation, Interest, exceptional items & Tax	163.28	197.47
Less: Depreciation	27.44	25.44
Less: Interest and Finance Charges	55.74	37.45
Less: Exceptional Items	0.30	-
Profit Before Tax	79.80	134.58
Less: Tax Expenses:		
-Current Tax	19.04	18.33
-Income Tax for earlier years	1.77	-
-Deferred Tax	(12.32)	20.41
Profit after Tax	71.31	95.84

INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs, vide its notification dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. For the Company, Ind AS is applicable from April 1, 2017, with a transition date of April 1, 2016.

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes to accounts.

INDIAN ECONOMY AND INDUSTRY AT A GLANCE

The past Financial years have been marked with some major economic reforms like implementation of Goods and Services Tax (GST) and demonetization, but the Indian economy continued to grow well in the context of declining growth across the major global economies. After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017- 18. It was largely because of pre-GST jitters and lingering effects of demonetization. Even with the lower growth for 2017-18, the average GDP growth for the period from 2014-15 to 2017-18 was 7.3 per cent, which is the highest among the major economies of the world.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition. A steadily improving outlook for business in India means that the Food

industry as well is recovering from a sluggish phase into a phase of more steady and sustained growth. Demand for processed food is robust and it is growing handsomely.

The agriculture sector is the backbone of our Indian economy which provides the basic ingredients to mankind and providing raw material for rapid industrialization sector development. During 2017-18 crop year, food grain production is estimated at 279.51 million tonnes, and wheat production in the country is estimated at 111.52 MT and 98.61 MT, respectively in the same period.

OPPORTUNITIES & THREATS, RISKS AND CONCERNS

The Indian food industry is still at a nascent stage and we expect it to record solid growth rates for several years to come. This represents a significant opportunity for your Company. With continued economic progress we expect to see strong robust growth in the Food Industry and we believe we are well poised to capture our share of this growth in a profitable manner. On the product side we see the emergence of consumers seeking both healthy and premium indulgence options and by ensuring that our portfolio includes offerings which address these consumers we are well placed to seize this opportunity. At the same time there will also still exists a huge opportunity in consumption amongst the emerging Indian Middle Class at a base consumption level seeking a broader variety in their existing food regimen in an affordable manner.

The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

PERFORMANCE AND OPERATIONS REVIEW

During the year under review, your Company manufactured 31,305.29 MT of flour (Atta, Maida, Suji, Bran, and Wheat) as against 31263.51 MT in previous Financial Year. Similarly, your Company has been able to achieve sales volume of 31252.69 MT of flour (Atta, Maida, Suji, Bran, and Wheat) as against 30967.20 MT in previous Financial Year

PRODUCTION AND COST DEVELOPMENTS

During the year under review, your company has been pursuing with bulk consumers like biscuit, noodles and bakery segments to make contract agreements. However, we are hopeful of positive result in the next financial year. This will enable us to ramp up production. Logistics is becoming a major cost factor and we have to constantly change our strategy to minimize this cost.

OUTLOOK

In the coming years, India is expected to achieve the ambitious goal of doubling farm income. Increased investment activities such as irrigation facilities, warehousing and cold storage in agricultural infrastructure are likely to generate better momentum. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

SHARE CAPITAL

The paid up Equity Capital as on March 31, 2018 was Rs. 5,93,26,000/-. During the year under review, the Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity shares.

EXTRACT OF ANNUAL RETURN

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked **Annexure-1**.

MEETINGS OF THE BOARD

During the year, six (6) Board Meetings and five (5) Audit Committee meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board Meeting are provided in the Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, meeting of Independent Directors was held on 9th February, 2018 wherein the performance of the Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors at their meeting also, inter alia, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

COMMITTEES OF THE BOARD

The composition and terms of reference of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee and Nomination and Remuneration Committee.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has formed a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to at the Company's website at the web link: http://ufmindl.weebly.com/uploads/8/7/1/1/8711000/whistle_blower_policy.pdf

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Board has framed a Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and at other executive levels. The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholders' interests, industry standards and relevant Indian corporate regulations. The details on the same are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, the Directors hereby confirm and state that:

- In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.

- The Directors have selected such accounting policies and have 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 as at 31st March, 2018 and of the profit of the Company for the year under review.
- The Directors have 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.
- The Directors have prepared the annual accounts ongoing concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Mr. Deepak Ladia and Mr. Poonam Chand Deewani are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149 of the Act and the Rules made thereunder about their status as Independent Director of the Company.

FAMILIARIZATION PROGRAMME UNDER TAKEN FOR INDEPENDENT DIRECTORS

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarization programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. The Independent Directors have been issued Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarization program is available on the Company's website under the weblink: http://ufmindl.weebly.com/uploads/8/7/1/1/8711000/familiarization_programme.pdf

AUDITORS & AUDITORS' REPORT

M/s. P. A. Agarwal & Co., Chartered Accountants (Firm Registration no. 327316E), Statutory Auditors of the Company, have been appointed by the members at the Thirty First Annual General Meeting and shall hold office for a period of 5 years from the date of such meeting held on 26th September, 2017.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sanjay Kumar Baid, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith marked **Annexure-2**. The report is self-explanatory and do not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your company has not given any loan or guarantee to any person falling under ambit of Section 186 of the Companies Act, 2013.

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with the Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval has been obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A policy on 'Related Party Transactions' has been devised by the Company which may be referred to at the Company's website at the web link http://ufmindl.weebly.com/uploads/8/7/1/1/8711000/related_party_policy.pdf

RESERVES

During the year under review no amount was transferred to reserves.

DIVIDEND

In order to conserve resources for future operations, your Directors do not recommend any dividend for the Financial Year 207-18.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in section 134 (3) (m) of the Act and rules framed there under is mentioned below:

(A) Steps taken toward Conservation of energy:

- We have replaced several light fittings with LED based lighting. This will reduce lighting cost significantly.
- We are taking good care of Motors and compressors so that they are never over heated with high current.
- Damaged Power factor capacitors have been replaced

(B) Steps taken toward Technical Absorption:

- We have invited expert millers and company representative from BUHLER India, our machinery supplier to improve our systems. We have significantly improved our lab processes and systems.

Hygiene in the production facility has been ramped up. Preventive maintenance has significantly reduced sudden breakdown causing production loss.

(C) Foreign Exchange Earnings And Outgo

During the period under review, there was no Foreign Exchange Earnings and Outgo.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The Directors expressed their satisfaction over the evaluation process and results thereof.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Avishek Jain will retire by rotation and being eligible, offers himself for re-appointment. In view of his considerable experience, your Directors recommend his re-appointment as Director of the company.

HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

The Company does not have any Holding, Subsidiary, Associate and Joint Venture.

DEPOSITS

During the year under report, the Company has not accepted any deposits from public or from any of the Directors of the Company or their relatives falling under ambit of Section 73 of the Companies Act, 2013.

CHANGES IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

There were no material changes and commitments affecting the financial position of the Company during the period under review.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorization. The Statutory Auditors have

evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action ensured wherever required.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with, a statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked **Annexure- 3** and forms part of this report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company has adopted a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated under the Listing Obligations and Disclosures Requirements formulated by Securities and Exchange Board of India (SEBI). A separate section on corporate governance, along with a certificate from the auditors confirming the compliance, is annexed and forms part of the Annual Report.

CHIEF EXECUTIVE OFFICER (CEO) /CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Regulation 17(8) of the Listing Obligations and Disclosures Requirements formulated by Securities and Exchange Board of India (SEBI), the CEO/CFO certification has been submitted to the Board and a copy thereof is contained in this Annual Report.

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges.

During the year under review, there has not been any material change in human resources, industrial relations and number of people employed.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs has permitted Companies to send copies of Annual report, Notices, etc., electronically to the email IDs of shareholders. Your Company has arranged to send the soft copies of these documents to the registered email IDs of the shareholders, wherever applicable. In case, any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request in this respect.

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to the Banks, Central and State Governments and their departments and the Local Authorities, Customers, Vendors, Business partners/associates and Stock Exchanges for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and recognize their contribution towards Company's achievements. Your Directors express their gratitude to the shareholders of the Company for reposing their confidence and trust in the Management of the Company.

For and on behalf of the Board of Directors

Place: Silchar
Date: 15th June, 2018

Mahabir Prasad Jain
Managing Director
DIN: 00498001

Avishek Jain
Director and CFO
DIN: 01383018

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L15311AS1986PLC002539
2	Registration Date	4th June, 1986
3	Name of the Company	U F M Industries Limited
4	Category/Sub-category of the Company	Company limited by Shares/ Non - Govt. Company
5	Address of the Registered office & contact details	Meherpur, Silchar, Assam - 788015 Phone No. : (03842) 224822 / 224996 Fax: (03842) 241539 Email: ufm.investorgrievances@gmail.com ; ufmindustries@rediffmail.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700001 Ph. : 22357270 / 7271 / 3070 Fax : 91-033-22156823 Email : nichetechpl@nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
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(All the business activities contributing 10 % or more of the total turnover of the company are stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wheat Flour milling	10611	99.88
2			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
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Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

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 01-April-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									
<i>(1) Indian</i>									
a) Individual/ HUF	-	1,849,020	1,849,020	31.17	-	1,849,020	1,849,020	31.17	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1,896,680	1,896,680	31.97	-	1,896,680	1,896,680	31.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub -total (A) (1)	-	3,745,700	3,745,700	63.14	-	3,745,700	3,745,700	63.14	-
<i>(2) Foreign</i>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A) (1) + (A) (2)	-	3,745,700	3,745,700	63.14	-	3,745,700	3,745,700	63.14	-

B. Public Shareholding													
1. Institutions													
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-Institutions													
a) Bodies Corporate													
i) Indian	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals													
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1,409,300	1,409,300	-	23.76	-	1,409,300	-	1,409,300	1,409,300	-	23.76	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		777,600	777,600	-	13.11	-	777,600	-	777,600	777,600	-	13.11	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	2,186,900	2,186,900	-	36.86	-	2,186,900	-	2,186,900	2,186,900	-	36.86	-
Total Public shareholding (B) =(B)(1) + (B) (2)	-	2,186,900	2,186,900	-	36.86	-	2,186,900	-	2,186,900	2,186,900	-	36.86	-
C. Shares held by Custodian for GDRs & ADRs													
	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,932,600	5,932,600	-	100.00	-	5,932,600	-	5,932,600	5,932,600	-	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01-April-2017]			Shareholding at the end of the year [As on 31-March-2018]			% 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	Sheetal Farms Ltd.	700,800	11.81	-	700,800	11.81	-	-
2	Radio Supply Stores (Cinema) Pvt. Ltd.	399,900	6.74	-	399,900	6.74	-	-
3	Mahabir Prasad Jain	377,415	6.36	-	377,415	6.36	-	-
4	Harakchand Investments Ltd.	343,580	5.79	-	343,580	5.79	-	-
5	Tara Rani Jain	334,108	5.63	-	334,108	5.63	-	-
6	Taramani Devi Jain	315,015	5.31	-	315,015	5.31	-	-
7	Namokar Marketing Limited	268,200	4.52	-	268,200	4.52	-	-
8	Vishal Jain	209,260	3.53	-	209,260	3.53	-	-
9	Sohani Devi Jain	145,631	2.45	-	145,631	2.45	-	-
10	Herald Commerce Limited	91,100	1.54	-	91,100	1.54	-	-
11	Arihant Coal Co. Ltd.	90,000	1.52	-	90,000	1.52	-	-
12	Yogesh Jain	82,400	1.39	-	82,400	1.39	-	-
13	Nirmal Kumar Jain	70,331	1.19	-	70,331	1.19	-	-
14	Hulaschand Jain	70,000	1.18	-	70,000	1.18	-	-
15	Dharmendra Kumar Jain	66,600	1.12	-	66,600	1.12	-	-
16	Santra Kumar Jain	57,260	0.97	-	57,260	0.97	-	-
17	Avishek Jain	49,000	0.83	-	49,000	0.83	-	-
18	Lalit Kumar Jain	28,000	0.47	-	28,000	0.47	-	-
19	Paras Jain	28,000	0.47	-	28,000	0.47	-	-
20	Naveen Jain	16,000	0.27	-	16,000	0.27	-	-
21	C.S. Mechanical Works (P) Ltd.	2,400	0.04	-	2,400	0.04	-	-
22	Sethi Flour Mills (P) Ltd.	700	0.01	-	700	0.01	-	-
	Total	3,745,700	63.14	-	3,745,700	63.14	-	-

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
There are no changes in Promoters' Shareholding during the Financial Year 2017-18.							

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

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mahabir Prasad Jain (HUF)						
	At the beginning of the year	01.04.2017		244,200	4.12		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		244,200	4.12	244,200	4.12
2	Ratan Lal Jain (HUF)						
	At the beginning of the year	01.04.2017		47,600	0.80		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		47,600	0.80	47,600	0.80
3	Lanu Meri						
	At the beginning of the year	01.04.2017		32,600	0.55		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		32,600	0.55	32,600	0.55
4	Ben Dang Jamir						
	At the beginning of the year	01.04.2017		32,600	0.55		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		32,600	0.55	32,600	0.55
5	Lalrinmawia Sailo						
	At the beginning of the year	01.04.2017		32,600	0.55		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		32,600	0.55	32,600	0.55
6	Manoj Sharma						
	At the beginning of the year	01.04.2017		32,600	0.55		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		32,600	0.55	32,600	0.55
7	Pankaj Goenka						
	At the beginning of the year	01.04.2017		32,600	0.55		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		32,600	0.55	32,600	0.55
8	Anil Kumar Mohta						
	At the beginning of the year	01.04.2017		31,200	0.53		
	Changes during the year			No changes during the year			
	At the end of the year	31.03.2018		31,200	0.53	31,200	0.53

9	Veemia Khandelwal								
	At the beginning of the year	01.04.2017		24,400	0.41				
	Changes during the year				No changes during the year				
	At the end of the year	31.03.2018		24,400	0.41		24,400		0.41
10	Bhanwarlal Dugar								
	At the beginning of the year	01.04.2017		22,100	0.37				
	Changes during the year				No changes during the year				
	At the end of the year	31.03.2018		22,100	0.37		22,100		0.37

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year*	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Mahabir Prasad Jain, Managing Director						
	At the beginning of the year	01.04.2017		377,415	6.36		
	Changes during the year				No changes during the year		
	At the end of the year	31.03.2018		377,415	6.36	377,415	6.36
2	Mr. Avishek Jain, Director and Chief Financial Officer						
	At the beginning of the year	01.04.2017		49,000	0.83		
	Changes during the year				No changes during the year		
	At the end of the year	31.03.2018		49,000	0.83	49,000	0.83
3	Mrs. Tara Rani Jain, Director						
	At the beginning of the year	01.04.2017		334,108	5.63		
	Changes during the year				No changes during the year		
	At the end of the year	31.03.2018		334,108	5.63	334,108	5.63
4	Mr. Deepak Ladia, Independent Director						
	At the beginning of the year	01.04.2017		-	-		
	Changes during the year				No changes during the year		
	At the end of the year	31.03.2018		-	-		
5	Mr. Poonam Chand Deewani, Independent Director						
	At the beginning of the year	01.04.2017		14,200	0.24		
	Changes during the year				No changes during the year		
	At the end of the year	31.03.2018		14,200	0.24	14,200	0.24
6	Mrs Jyoti Jain, Company Secretary						
	At the beginning of the year	01.04.2017		-	-		
	Changes during the year				No changes during the year		
	At the end of the year	31.03.2018		-	-		

V. INDEBTEDNESS

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

(Amt. ₹/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits**	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	625.21	-	-	625.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	625.21	-	-	625.21
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	88.88	-	-	88.88
Net Change	(88.88)	-	-	(88.88)
Indebtedness at the end of the financial year				
i) Principal Amount	536.33	-	-	536.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	536.33	-	-	536.33

** Trade Deposits have not been included

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
	Name	Mahabir Prasad Jain	(₹/Lac)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000.00	1,200,000.00
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	1,200,000.00	1,200,000.00
	Ceiling as per the Act	As per schedule V (Inadequate profit) of the Companies Act, 2013	

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Not Applicable	(` /Lac)
1	Independent Directors		
	Fee for attending board/ committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
2	Other Non-Executive Directors		
	Fee for attending board/ committee meetings	-	-
	Commission	-	-
	Others, remuneration paid in professional capacity	-	-
	Total (2)	-	-
	Total (B) = (1+2)	-	-
	Total Managerial Remuneration		1,200,000.00
	Overall Ceiling as per the Act	As per schedule V (Inadequate profit) of the Companies Act, 2013	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (` /Lac)
		Name	Avishek Jain	
	Designation	Chief Financial Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600,000.00	240,000.00	840,000.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission			
	- as % of profit - others, specify	-		-
5	Others, please specify	-		-
	Total	600,000.00	240,000.00	840,000.00

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)
There were no penalties/Punishments/Compounding of offences for breach of any provisions of the Companies Act, 2013 against the Company or its Directors or other Officer in default during the year.					

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
UFM Industries Ltd.
Meherpur, Silchar-788015
Assam.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **UFM Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by UFM Industries Limited for the financial year ended on 31/03/2018 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) The company has complied with the requirements under the Equity Listing Agreements entered into with BSE limited and National Stock Exchange Of India Limited; and
- (j) The Memorandum and Article of Association.

2. **I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act, the provisions of Companies Act, 2013 and the Rules made under that Act and the provisions of the Companies (Amendment) Act, 2017 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) The 31st Annual General Meeting held on 26th September, 2017;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole time Directors;
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors and Secretarial Auditors;
- m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) Declaration and payment of dividends;
- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) Investment of the Company's funds including investments and loans to others;

- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) Contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - The Company has obtained all necessary approvals under the various provisions of the Act;
 - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Guwahati
Date: 15/06/2018

Name: **Sanjay Kumar Baid**
FCS No. 5752
C P No.: 4062

Statement of Particulars of Employees pursuant to the Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the Employees	Designation	Remuneration Received (Rs. in Lacs)	Nature of Employment (Permanent/ Contractual)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment	% of Equity Share held in the Company	Relation with Director, if any
1	Mr. Mahabir Prasad Jain	Managing Director	12.00	Permanent	Diploma in Business Management	43	04.06.1986	67	Not Applicable	6.36%	Father of Mr. Avishek Jain and Husband of Mrs. Tara Rani Jain
2	Mr. Avishek Jain	Chief Financial Officer	6.00	Permanent	B. E.	10	23.03.2015	36	Not Applicable	0.83%	Son of Mr. Mahabir Prasad Jain and Mrs. Tara Rani Jain
3	Mr. Vishal Jain	Manager	3.60	Permanent	M.Com	15	01.04.2012	40	Not Applicable	3.53%	Son of Mr. Mahabir Prasad Jain and Mrs. Tara Rani Jain
4	Mr. Om Prakash Pathak	Manager	2.48	Permanent	H.S	31	01.07.1984	54	Not Applicable	NIL	NIL
5	Mrs. Jyoti Jain	Company Secretary	2.40	Permanent	B.Com, CS	7	05.04.2011	35	Not Applicable	NIL	NIL
6	Mr. Anil Kumar Jain	Accountant	2.40	Permanent	B.Com	25	01.04.2017	48	United Commercial Co	NIL	NIL
7	Mr. Ashish Dutta	Accountant	2.22	Permanent	B.Com	12	01.01.2012	36	VSL India Pvt Ltd	NIL	NIL
8	Mr. Sanjay Jain	Cashier	2.00	Permanent	H.S	15	01.12.2002	43	Not Applicable	NIL	NIL
9	Basudeo Prasad	Manager	1.95	Permanent	H.S	25	01.09.1993	59	Not Applicable	NIL	NIL
10	Pawan Kumar Jain	Asst. Manager	1.77	Permanent	H.S.	15	01.06.2003	53	Not Applicable	NIL	NIL

PARTICULARS OF MANAGERIAL REMUNERATION

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees and percentage increase in remuneration of the Directors and Key Managerial Personnel of the Company for the financial year:

Name of Directors & Key Managerial Personnel	Designation	Percentage Increase in Remuneration	Ratio to median remuneration
Mr. Mahabir Prasad Jain	Managing Director	Nil	18.73:1
Mr. Avishek Jain	Non-Executive Director	NA	NA
Mrs. Tara Rani Jain	Non-Executive Director	NA	NA
Mr. Deepak Ladia	Independent Director	NA	NA
Mr. Poonam Chand Deewani	Independent Director	NA	NA
Mr. Avishek Jain	Chief Financial Officer	Nil	-
Mrs. Jyoti Jain	Company Secretary	Nil	-

- (ii) Percentage increase in the median remuneration of employees in the Financial Year: 10%
- (iii) The number of permanent employees on the roll of the Company : 81
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of non-managerial employees in the Financial Year 2017-18 was 7% while the average percentile increase in the Managerial remuneration was NIL

- (v) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Date : 15th June, 2018

Place: Silchar

For and on behalf of the Board

Mahabir Prasad Jain

Chairman

DIN: 00498001

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2017-18

The Directors present the Company's Report on Corporate Governance:

Company's Philosophy on Corporate Governance:

Your company has been practicing good Corporate Governance over the years upholding its true traditions and values. The company has not only put in place the system for compliance or regulatory requirement but also the system for customer satisfaction and meeting the expectations of its share holders, employee and the society. It is the philosophy of the company to continue to have accountability, transparency and integrity in all its business transactions and practices.

BOARD OF DIRECTORS

Composition:

The Board of Directors has been vested with requisite powers, authorities and duty. The Board plays an imperative role in the management, strategic directions and performance of the Company. As on the date of this report, the Board consists of five Directors out of which two are Independent Directors.

None of the Directors is a member of the Board of more than twenty Companies or a Member of more than ten Board-level Committees or a Chairman of more than five such Committees.

Mr. Avishek Jain is the Chief Executive Officer of the Company.

The Composition is as provided below:

Name of the Director	Designation	Category
Mr. Mahabir Prasad Jain	Managing Director	Promoter - Executive
Mr. Avishek Jain	Director & CFO	Executive
Mrs. Tara Rani Jain	Director	Non-Executive
Mr. Deepak Ladia	Director	Independent
Mr. Poonam Chand Deewani	Director	Independent

As on 31st March 2018, the details of each member of the Board along with the number of Directorship(s) / Committee Membership(s) are provided herein below:

Name of the Director	Number of Directorship of Public Limited Companies *	Number of Membership including Chairmanship of Board Committee(s) **
Mr. Mahabir Prasad Jain	6	-
Mr. Avishek Jain	3	-
Mrs. Tara Rani Jain	3	2
Mr. Deepak Ladia	1	2 (2 as Chairman)
Mr. Poonam Chand Deewani	3	2

* Includes Private Companies which are subsidiaries of Public Limited Companies, Unlimited Liability Companies, Companies registered under Section 8 of the Companies Act, 2013, Membership of Managing Committees of Chambers of Commerce/Professional Bodies but excludes Foreign Companies.

** Only Audit Committee and Stakeholders' Relationship Committee have been considered as per SEBI Regulations.

Board Meetings and Procedures

The Board meets at regular intervals to discuss and decide on the policies and strategies with respect to the business of the Company apart from normal business. The Board generally meets at least once in every quarter to review the Quarterly results. Additional meetings are held as and when necessary.

All the meetings are scheduled well in advance and notices are sent to all the Directors at their address registered with the Company. The agenda of the meeting are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Drafts minutes of the proceedings of the Board/Committee Meetings are circulated in advance and comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Board periodically reviews compliance reports of all laws applicable to the Company. Information about major events/items is placed before the Board and approval of the Board is taken on all such matters wherever such approval is required. Senior executives of the Company are invited as and when required to provide additional inputs or clarifications required on agenda items being discussed in the Board Meeting.

Number and dates of Board Meetings held during the year

Six (6) Board Meetings were held during the Financial Year 2017 - 18 and the gap between two meetings did not exceed four months. The Meetings were held on 10th May 2017, 29th May 2017, 12th August 2017, 25th August 2017, 25th October 2017 and 9th February 2018. The Attendance at the Board Meetings during the financial year 2017-18 and at the previous Annual General Meeting is as under:

Name of Director	No. of Board Meeting Attended	Last AGM Attended
Mr. Mahabir Prasad Jain	6	Yes
Mr. Avishek Jain	6	Yes
Mrs. Tara Rani Jain	5	Yes
Mr. Deepak Ladia	5	No
Mr. Poonam Chand Deewani	6	Yes

Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, separate meetings of the Independent Directors of the Company were held on 9th February 2018, to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees, which is necessary to effectively and reasonably perform and discharge their duties.

Induction and Familiarization Program for Directors:

As per the Listing Regulations, the Company shall provide suitable training to the Directors to familiarize them with the Company, nature of the industry in which the Company operates etc.

The members of the Board of Directors are well acquainted with the industry and are provided necessary reports, documents and other presentations including interactive session with CEO and other heads of the Company. Efforts are made to familiarize the Directors about their roles, rights, and responsibilities. The Directors are regularly updated on the changes in policies, laws and regulations and other developments in the business. The details of the Director's induction and familiarization are available on the Company's website at http://ufmindl.weebly.com/uploads/8/7/1/1/8711000/familiarization_programme.pdf

Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Committees. A structured questionnaire for evaluation was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. The Directors expressed their satisfaction over the evaluation process

Resume of Directors proposed to be re-appointed:

The brief resume of Directors retiring by rotation and seeking re-appointment, if any, is appended in the notice convening the Annual General Meeting.

COMMITTEES OF THE BOARD

Currently, the Board has three Committees: Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The terms of reference of these Committees are determined by the Board and subject to be reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all members of Committee individually and tabled at the Board Meetings.

Audit Committee:

All the members of the Audit Committee are Non-Executive Directors with majority Independent Directors including Chairman. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Regulations.

The terms of reference of the Audit Committee are broadly inter alia as follows:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- vi. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, audit observations as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Composition, number of Meetings and Attendance:

The Audit Committee met 5 (five) times during the Financial year 2017-18. The Audit Committee's composition meets the requirements of Section 177 of the Companies Act, 2013 and SEBI Regulations. The Members of the Audit Committee possess financial/ accounting expertise/ exposure. The meetings were held on 10th May 2017, 29th May 2017, 12th August 2017, 25th October 2017 and 9th February 2018. All the members of the Committee attended the meeting.

The Audit Committee comprises of the following members:

Name	Category	Designation
Mr. Deepak Ladia	Non-Executive, Independent	Chairman
Mr. Poonam Chand Deewani	Non- Executive, Independent	Member
Mrs. Tara Rani Jain	Non-Executive, Non – Independent	Member

Audit Committee meetings are attended by the Chief Finance Officer of the Company and Representatives of Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee determines on behalf of the Board and shareholders as per agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors, Key Managerial Personnel and other employees. The Chairman of the Committee is an Independent Director and the Members of the Committee are Non - Executive Directors.

The broad terms of reference of the Committee inter alia are as follows:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Directors
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- v. Recommending/reviewing remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria

Remuneration Policy:

The Company has formulated a remuneration policy with a focus on attracting talent and rewarding performance based on review of achievements. The remuneration to be paid to the Executive Directors, if any, shall be recommended by the Remuneration Committee based on the Net Profits of the Company which are then approved by the Board of Directors of the Company and the Shareholders of the Company in their respective meetings. The remuneration to be paid to the Executive Directors shall be determined and based on the industry benchmark, performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their performance expertise in their individual capacity as individual Professionals/Business Executives.

The composition of the Nomination and Remuneration Committee as at 31st March, 2018 is as under:

Name of the Member	Category	Designation
Mr. Deepak Ladia	Non-Executive, Independent	Chairman
Mr. Poonam Chand Deewani	Non- Executive, Independent	Member
Mrs. Tara Rani Jain	Non-Executive, Non – Independent	Member

Meetings and Attendance:

The Nomination and Remuneration Committee met on 10th May, 2017 during the financial year 2017-18. All the members of the Committee attended the meeting.

Remuneration of Directors:

The details of remuneration paid to Directors for the Financial Year 2017-18 are provided below:

Sl. No.	Name of the Director	Designation	Salary (₹)	Sitting Fees (₹)	No. of shares held as on date
1	Mr. Mahabir Prasad Jain	Executive Director	12,00,000	Nil	3,77,415
2	Mr. Avishek Jain	Director & CFO	6,00,000	Nil	49,000
3	Mrs. Tara Rani Jain	Director	Nil	Nil	3,34,108
4	Mr. Deepak Ladia	Independent Director	Nil	Nil	Nil
5	Mr. Poonam Chand Deewani	Independent Director	Nil	Nil	Nil

None of the Directors of the Company/Key Managerial Personnel had any pecuniary relationship with the Company during the year.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Board has constituted "Stakeholders' Relationship Committee".

The Committee's responsibility is to oversee Share Transfers and addressing to and redressal of shareholders' grievances etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agents of the Company.

The terms of reference of the Committee includes:

- i. Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
- ii. Consider and approve all requests from shareholders regarding transfer & transmission of shares, issue of duplicate share certificate, consolidation of shares, demat, remat, split & folio consolidation etc.
- iii. Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- iv. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.

During the Financial Year 2017-18, no meeting of Stakeholders Relationship Committee was held.

The Composition of the Stakeholders Relationship Committee is given below:

Name of the Member	Category	Designation
Mr. Deepak Ladia	Non-Executive, Independent	Chairman
Mr. Poonam Chand Deewani	Non- Executive, Independent	Member
Mrs. Tara Rani Jain	Non-Executive, Non – Independent	Member

The Company Secretary acts as Secretary to the Committee.

Status of Pending Complaints:

The Company has not received any Complaints during the Financial Year 2017-18. There were no complaints pending at the beginning and at the end of the Financial Year. However, during the year under review letters on various matters were received and were duly addressed.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Board of Directors of the Company has adopted a Vigil Mechanism Policy. This mechanism provides a tool in the hands of Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

GENERAL BODY MEETINGS:
Particulars of last three Annual General Meetings:

Financial Year	AGM	Date	Venue	Time	Matter
2014-15	29 th	30.09.2015	Meherpur, Silchar, Assam - 788015	02:00 P.M.	Re-appointment of Mr. Mahabir Prasad Jain as Managing Director
2015-16	30 th	28.09.2016	Meherpur, Silchar, Assam - 788015	02:00 P.M.	NIL
2016-17	31 st	26.09.2017	Meherpur, Silchar, Assam - 788015	02:00 P.M.	NIL

During the year under review, no resolution has been passed through the exercise of Postal Ballot and no Extra-Ordinary General Meeting of the Shareholders was held during the year.

DISCLOSURES:

- No materially significant related party transactions took place between the Company and its associates, Promoters, Directors or the Management and their relatives which have a bearing on interests of the Company at large. Other Related Party transactions as per requirements of Accounting Standard 18 have been reported in Notes to Accounts annexed to the financial statements. The policy on related party transaction has been placed on the Company's website at http://ufmindl.weebly.com/uploads/8/7/1/1/8711000/related_party_policy.pdf
- The Company has a well-defined risk management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessments and procedures to minimize risk. The risk management policy is reviewed periodically to ensure that the executive management controls the risk as per decided policy.
- The Company's policy on Vigil mechanism is placed on the Company's website at http://ufmindl.weebly.com/uploads/8/7/1/1/8711000/whistle_blower_policy.pdf. We hereby affirm that no personnel have been denied access to the Audit Committee.
- The Financial statements of the Company are prepared in accordance with the Accounting Standards stipulated under the Companies Act.
- During the year under review, the Company has not raised any money through public issue.

CODE OF CONDUCT

In pursuance of the SEBI Regulations, the Board has approved the 'Code of Conduct for Board of Directors and Senior Management' and same has been posted on the Company's website www.ufmindl.weebly.com. The Directors and Senior Management personnel have affirmed compliance with the provisions of above Code of Conduct. The declaration by the Managing Director to this effect is also attached to this Report.

MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements. These financial results, in the prescribed format, as per SEBI Regulations, are published in prominent English and Bengali (Regional language) newspapers usually in 'The Financial Express' and 'Dainik Prantojyoti'. The quarterly financial results and official news are also posted on the website of the Company – www.ufmindl.weebly.com.

The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting. The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company are also placed on the Company's website: www.ufmindl.weebly.com and can be downloaded.

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on BSE's Listing Centre which is web-based application for corporate.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report, forms a part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and Time	28 th September, 2018 at 02:00 P.M.
Venue	Meherpur, Silchar, Assam – 788 015
Dates of Book Closure	Saturday, 22 nd September, 2018 to Friday, 28 th September, 2018 (both days inclusive)

Financial Calendar (for the year 2018 - 19)

The Company follows financial year starting from 1st of April of the financial year and ending on 31st March of the following year.

Proposed date for approval of financial results

First Quarter ended 30 th June, 2018	Within 45 days from the end of quarter
Second Quarter ended 30 th September, 2018	Within 45 days from the end of quarter
Third Quarter ended 31 st December, 2018	Within 45 days from the end of quarter
Fourth/Last Quarter ended 31 st March, 2019	Within 60 days from the end of quarter

Listing on Stock Exchanges

The Shares of the Company are presently listed on the following Stock Exchanges: -

- a) The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata- 700001
- b) BSE Ltd. (BSE)
PhirozeJeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

The Company has paid listing fees to BSE for the year 2018-19.

Annual Custody/Issuer fee for the year 2017-18 has been paid by the Company to CDSL. Bills for the year 2018-19 has been received and paid by the Company to CDSL.

Stock Code

Name of the Exchange	Stock Code
The Calcutta Stock Exchange Association Ltd	031176
BSE Limited	531610

ISIN Allotted to the Company by the Depositories

The Company has signed Depository agreement with Central Depository Services (India) Limited. The ISIN allotted to the Company is INE832E01010.

Corporate Identity Number (CIN)

L15311AS1986PLC002539

Market Information

The shares of the Company were not traded at Calcutta Stock Exchange and BSE Limited during the year.

Registrars and Share Transfer Agents

Niche Technologies Pvt. Ltd.

D-511, Bagree Market,

71, B.R.B. Basu Road,

Kolkata – 700001

Ph.: 22357270 / 7271 / 3070

Fax: 91-033-22156823

Email: nichetechpl@nichetechpl.com

Share Transfer System

Requests for transfer of shares can be lodged either at the office of the Company or at the office of the Registrar. The transfers are normally processed within a maximum period of 15 days from the receipt of documents, complete in all respect.

Transfer of Shares in dematerialized form is duly processed by CDSL in electronic form through the Depository participants. Dematerialisation is required to be done within a period of 15 days from the date of lodgment of Dematerialisation request, complete in all respect, with the Depository Participant of the Shareholder.

Shareholding Pattern as on 31st March, 2018

Category	Number of Shareholders	Number of Shares	% of total Share Capital
Promoter and Promoter Group	22	37,45,700	63.14
Individual	1548	21,86,900	36.86
TOTAL	1570	59,32,600	100.00

Dematerialisation of shares and liquidity

The Company's Equity share has been admitted into Central Depository Services (India) Limited to offer demat option to our shareholders. The shareholders can now avail the depository services with any of the Depository Participants registered with CDSL which are spread over the length and breadth of the country.

RECONCILIATION OF SHARE CAPITAL AUDIT:

- i. Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- ii. A Practicing Company Secretary carries out the reconciliation of Share Capital of the Company for every Quarter to reconcile the total capital admitted with Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital of the Company. The Audit confirms that the total issued /paid up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.

Plant locations:

- A.** Meherpur-Unit I & Unit II, Silchar – 788015, Assam
Ph : (03842) 224822 / 224996
Fax : (03842) 241539
- B.** Balajan, Dhubri – 783331, Assam
Ph : (03662) 297180
Fax : (03662) 297180

Address for Correspondence:

Registered Office: Meherpur, Silchar, Assam – 788 015
Phone: (03842) 224822 / 224996, Fax: (03842) 241539
Email: ufm.investorgrievances@gmail.com
Website: www.ufmindl.weebly.com

Place: Silchar
Date: 15th June, 2018

Mahabir Prasad Jain
Managing Director
DIN: 00498001

Avishek Jain
Director and CFO
DIN: 01383018

Compliance with Code of Business Conduct and Ethics

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is hereby declared that all Board members and senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31st March, 2018.

Place: Silchar
Dated: 15th June, 2018

Mahabir Prasad Jain
Managing Director

CERTIFICATE BY MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER

To,
The Board of Directors
UFM Industries Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of UFM Industries Limited ('the Company'), to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the cash flow statement for the Financial year ended 31st March, 2018 and based on our knowledge and belief, we state that:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (1) significant changes, if any, in internal control over financial reporting during the year;
 - (2) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Silchar
Date: 15th June, 2018

Mahabir Prasad Jain
Managing Director

Avishek Jain
Chief Financial Officer

Auditors' Certificate on Corporate Governance

To
The Members of
UFM Industries Limited
Meherpur, Silchar,
Assam – 788 015

We have examined the compliance of conditions of the Corporate Governance by **UFM Industries Limited** for the year ended on 31st March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P. A. AGARWAL & CO.**
Firm Registration No. 327316E
Chartered Accountants

Place : Silchar
Date : 15th June, 2018

CA. Pulkit Agarwal
Partner
Membership No. 069321

Independent Auditor's Report

To the Members
UFM INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **UFM INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31.03.2018, the Statement of Profit & Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 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 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 and fair presentation 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 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:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018,
- ii) In the case of the Statement of Profit & Loss, of the profit/loss including other comprehensive income, for the year ended on that date,
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date, and
- iv) In the case of the Statement of Changes in Equity, the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 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 Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including the Statement of Other Comprehensive Income, 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 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (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, the directors are not 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 over financial reporting 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 does not have any pending litigations which would impact its financial position in its financial statement.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P. A. Agarwal & Co.
Chartered Accountants
F.R.N. : 327316E

CA. Pulkit Agarwal
Partner
M. No. : 069321

Place : Silchar
Date : 15.06.2018

'ANNEXURE – A' REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF UFM INDUSTRIES LIMITED ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH'2018.

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
(b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification.
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
(b) As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the books/records.
- iii) According to the information and explanation given to us, the company has not granted any loan or advance to any of any companies; firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
 - (a) In view of the above clause (iii), sub-clause (a) is not applicable.
 - (b) In view of the above clause (iii), sub-clause (b) is not applicable.
 - (c) In view of the above clause (iii), sub-clause (c) is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities, wherever applicable.
- v) The Company has not accepted deposits from the members during the year and hence the clause directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act'2013 and the rules framed thereunder are not applicable on the Company.
- vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) There were no dues of Income Tax or service tax or duty of customs or value added tax or entry tax which has not been deposited as on March, 2018 on account of any dispute.
- viii) According to the records of the Company, it has not defaulted in repayment of its dues to any financial institution, bank or debenture holders during the year.

- ix) On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loan taken by the Company have been applied for the purposes for which they are obtained.
- x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year.
- xi) On the basis of our examination and according to the information and explanations given to us, the Company has paid/provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards, wherever applicable.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For P. A. Agarwal & Co.

Chartered Accountants
F.R.N. : 327316E

CA. Pulkit Agarwal

Partner
M. No. : 069321

Place : Silchar
Date : 15.06.2018

'ANNEXURE – B' REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF UFM INDUSTRIES LIMITED ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH'2018

Report on the Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act'2013 ("the Act")

We have audited the internal financial controls over financial reporting of **UFM Industries Limited** ("the Company") as of March 31, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 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 March 31, 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 Institute of Chartered Accountants of India.

For P. A. Agarwal & Co.

Chartered Accountants

F.R.N. : 327316E

CA.Pulkit Agarwal

Partner

M. No. : 069321

Place : Silchar

Date : 15.06.2018

UFM Industries Limited
Balance Sheet as at 31 March 2018
(Rs. In Lacs)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I ASSETS				
(1) Non - Current Assets				
Property, Plant and Equipment	3	228.16	244.44	226.84
Capital work-in-progress	4	48.61	0.50	-
Investment Property	5	78.32	79.84	81.37
Financial Assets				
(i) Investments	6	751.80	746.18	332.64
(ii) Trade receivables		-	-	-
(iii) Loans	6	20.33	20.33	20.33
(iv) Others		-	-	27.00
Other Non-Current Assets	7	0.30	0.05	0.10
(2) Current Assets				
Inventories	8	622.02	511.63	472.33
Financial Assets				
(i) Investments	6	-	-	-
(ii) Trade Receivables	9	207.05	191.06	188.76
(iii) Cash and Cash Equivalents	10	74.86	230.65	72.96
(iv) Other Bank balances		-	-	-
(v) Loans	6	-	-	-
(vi) Others	6	5.58	14.86	14.51
Current Tax Assets (Net)		65.99	62.82	35.57
Other Current Assets	7	259.98	143.01	106.47
Total Assets		2,362.99	2,245.38	1,578.88
II EQUITY AND LIABILITIES				
(1) Equity				
Equity Share capital	11	593.26	593.26	593.26
Other Equity	12	969.09	897.78	801.94
(2) Liabilities				
(a) Non-current liabilities				
Financial Liabilities				
(i) Borrowings	13	1.41	16.92	9.08
(ii) Trade Payables		-	-	-
(iii) Other financial liabilities	16	-	-	-
Other non current liabilities	17	20.06	20.42	20.79
Deferred tax liabilities (Net)	18	64.61	76.93	56.52
(b) Current liabilities				
Financial Liabilities				
(i) Borrowings	14	534.92	608.29	67.92
(ii) Trade Payables	15	166.29	20.61	19.88
(iii) Other financial liabilities	16	10.78	8.75	8.04
Other current liabilities	17	2.56	2.31	1.45
Current Tax Liabilities (Net)		-	0.10	-
Total Equity and Liabilities		2,362.99	2,245.38	1,578.88
Summary of significant accounting policies	2			

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

For P.A.Agarwal & Co.
Chartered Accountants
FRN : 327316E

For & on behalf the Board of Directors

Mahabir Prasad Jain
Managing Director
DIN : 00498001

Tara Rani Jain
Director
DIN : 00545789

CA. Pulkit Agarwal
Partner
M. No. 069321

Avishek Jain
Director & CFO
DIN : 01383018

Jyoti Jain
Company Secretary

Place : Silchar
Date : 15.06.2018

UFM Industries Limited
Statement of Profit and Loss for the year ended 31 March 2018
(Rs. In Lacs)

	Note No.	Figures for the year ended March 31 2018	Figures for the year ended March 31 2017
I INCOME			
Revenue From Operations	19	6,814.84	6,681.93
Other Income	20	34.52	96.45
Total Income (I)		6,849.36	6,778.37
II EXPENSES			
Cost of Material Consumed	21	6,055.48	5,984.43
Changes in inventories of finished goods, stock-in-Trade and work in progress	22	(6.57)	33.05
Employee Benefits Expense	23	139.50	113.11
Finance Costs	24	55.74	37.45
Depreciation and amortization expense	25	27.44	25.44
Other Expenses	26	498.27	450.32
Total Expenses (II)		6,769.86	6,643.80
III Profit before exceptional items and tax (I-II)		79.50	134.58
IV Exceptional Items	27	0.30	-
V Profit / (Loss) before tax (III-IV)		79.80	134.58
VI Tax Expense:			
(1) Current Year Taxes	18	19.04	18.33
(2) Previous Year Taxes	18	1.77	-
(3) Deferred Tax	18	(12.32)	20.41
VII Profit / (Loss) for the period from continuing operations (V-VI)		71.31	95.84
VIII Profit/(loss) from Discontinued Operations		-	-
IX Tax expense of Discontinued Operations		-	-
X Profit/(loss) from Discontinued Operations (after tax) (VIII-IX)		-	-
XI Profit / (Loss) for the period (VII + X)		71.31	95.84
XII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XIII Total Comprehensive Income for the period (XI + XII) [Comprising Profit (Loss) and Other Comprehensive Income for the period]		71.31	95.84
XIV Earnings per equity share (for continuing operation) :			
(1) Basic (In Rs.)	28	1.20	1.62
(2) Diluted (In Rs.)	28	1.20	1.62
(3) Nominal Value (In Rs.)		10.00	10.00
Summary of significant accounting policies	2		

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

For P.A.Agarwal & Co.
Chartered Accountants
FRN : 327316E

CA. Pulkit Agarwal
Partner
M. No. 069321

Place : Silchar
Date : 15.06.2018

For & on behalf the Board of Directors

Mahabir Prasad Jain
Managing Director
DIN : 00498001

Tara Rani Jain
Director
DIN : 00545789

Avishek Jain
Director & CFO
DIN : 01383018

Jyoti Jain
Company

UFM Industries Limited
Statement of Changes in Equity for the year ended 31 March 2018
(a) Equity Share Capital :
(Rs. In Lacs)

Particulars	No. of Shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At 1 April 2016	5,932,600	593.26
Add : Issue of share capital (Note 11)	-	-
At 31 March 2017	5,932,600	593.26
Add : Issue of share capital (Note 11)	-	-
At 31 March 2018	5,932,600	593.26

(b) Other Equity :
For the year ended 31 March 2018:
(Rs. In Lacs)

Particulars	Reserve & Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
	(Note 12)	(Note 12)	(Note 12)	(Note 12)	
As at 1 April 2017	1.21	162.50	78.92	655.16	897.78
Profit for the period	-	-	-	71.31	71.31
Other comprehensive income	-	-	-	-	-
At 31 March 2018	1.21	162.50	78.92	726.47	969.09

For the year ended 31 March 2017:
(Rs. In Lacs)

Particulars	Reserve & Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
	(Note 12)	(Note 12)	(Note 12)	(Note 12)	
As at 1 April 2016	1.21	162.50	78.92	559.32	801.94
Profit for the period	-	-	-	95.84	95.84
Other comprehensive income	-	-	-	-	-
At 31 March 2017	1.21	162.50	78.92	655.16	897.78

The accompanying notes are an integral part of the financial statements
As per our report of even date
For P.A. Agarwal & Co.
Chartered Accountants
FRN : 327316E
For & on behalf the Board of Directors
Mahabir Prasad Jain
 Managing Director
 DIN : 00498001

Tara Rani Jain
 Director
 DIN : 00545789

CA. Pulkit Agarwal
Partner
M. No. 069321
Avishek Jain
 Director & CFO
 DIN : 01383018

Jyoti Jain
 Company Secretary

Place : Silchar
Date : 15.06.2018

UFM Industries Limited
Cash Flow Statement for the year ended 31 March 2018
(Rs. In Lacs)

Particulars	Figures for the year ended March 31 2018	Figures for the year ended March 31 2017
A Cash Flow from Operating Activities		
1 Profit Before Tax	79.80	134.58
2 Adjustments for :		
Depreciation and impairment of property, plant and equipment	27.44	25.44
Loss/(gain) on disposal of property, plant and equipments (net)	(0.30)	-
Loss/(Profit) on Impairment of Investments (net)	4.25	-
Dividend Income	(0.16)	(0.13)
Interest Income	(1.27)	(1.45)
Interest Expenses	55.74	37.45
Adjustments for Other Non Current Assets	(0.25)	0.05
Adjustments for Other Non Current Liabilities	0.00	0.00
3 Operating Profit before Working Capital Changes (1+2)	165.26	195.94
4 Change in Working Capital: (Excluding Cash & Bank Balances)		
Inventories	(110.39)	(39.31)
Financial Assets		
Trade Receivables	(15.99)	(2.29)
Others	9.28	(0.35)
Current Tax Assets	(3.17)	(27.25)
Other Current Assets	(116.97)	(36.54)
Financial Liabilities		
Borrowings	(73.36)	540.37
Trade Payables	145.68	0.73
Other Current Financial Liabilities	2.03	0.71
Other Current Liabilities	0.25	0.86
Current Tax Liabilities	(0.10)	0.10
Change in Working Capital	(162.74)	437.03
5 Cash Generated From Operations (3+4)	2.52	632.96
6 Less : Taxes Paid for Current Year	(19.04)	(18.33)
Less : Taxes Paid for Previous Year	(1.77)	-
7 Net Cash Flow from Operating Activities (5-6)	(18.30)	614.64
B Cash Flow from Investing Activities:		
Proceeds from sale of Property, plant and equipment/Transfer of Assets	0.60	-
Purchase of Property, plant and equipment	(10.29)	(41.89)
Purchase of financial instruments	(4.87)	(386.54)
Interest received (Finance Income)	1.27	1.45
Dividend Income	0.16	0.13
Investment in Partnership Firm	(5.00)	-
Expenditure on Construction Work in Progress	(48.11)	(0.50)
Net Cash Generated/(Used) in Investing Activities:	(66.25)	(427.34)
C Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings (Including finance lease)	-	15.88
Repayments of Long-Term Borrowings (Including finance lease)	(15.51)	(8.04)
Interest paid	(55.74)	(37.45)
Net Cash Generated/(Used) from Financing Activities:	(71.26)	(29.61)
D Net Change in Cash & cash equivalents (A+B+C)	(155.80)	157.69
E - 1 Cash & cash equivalents as at end of the year	74.86	230.65
E - 2 Cash & cash equivalents as at the beginning of year	230.65	72.96
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)	(155.80)	157.69

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

For P.A. Agarwal & Co.
Chartered Accountants
FRN : 327316E

For & on behalf the Board of Directors

Mahabir Prasad Jain
Managing Director
DIN : 00498001

Tara Rani Jain
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CA. Pulkit Agarwal
Partner
M. No. 069321

Place : Silchar
Date : 15.06.2018

Avishek Jain
Director & CFO
DIN : 01383018

Jyoti Jain
Company Secretary

UFM Industries Limited

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018

1. Corporate Information:

UFM Industries Limited (the Company) is a UFM Group Company. The Company was incorporated in 1986 by conversion of the then partnership firm M/s Union Flour Mills and has been in operations since then. The Company is listed in India on Bombay Stock Exchange. The Company is a Flour Mill operating entity. The Company has been a major player amongst flour mills in the state of Assam and at present it operates in the district of Silchar and Dhubri. The registered office of the Company is located at Meherpur, Silchar, Assam – 788015. The standalone financial statements were authorised for issue in accordance with a resolution of the Directors on June 15, 2018.

2. Significant accounting policies

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first Company has prepared in accordance with Ind AS. Refer to Note 43 for information on how the Company adopted Ind AS.

2.2 Current/Non Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities and advance against current tax are classified as non-current assets and liabilities.

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

a. Foreign currencies

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

b. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, value added taxes.

The recognition criteria described below must be met before revenue is recognized:

Sale of Goods

Revenue from the sale of goods is recognized upon passage of title to the customers which coincides with their delivery and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. The Company collects Central Sales Taxes (CST) / Value Added Taxes (VAT) / Goods & Services Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the right to receive the payment is established by the balance sheet date.

c. Taxes

Tax expense for the year comprises of current tax and deferred tax.

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at time of transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

d. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), Leasehold land and buildings (property), other than investment property, were carried in the balance sheet on the basis of cost less accumulated depreciation. The Company has elected to regard the carrying amount under previous GAAP of an item of property, plant and equipment as the deemed cost.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in

the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is calculated on straight line basis using the rates arrived at based on the useful lives estimated by the management.

The management has accepted the useful lives of the Property, Plant and Equipment and has used the rates for providing depreciation on its fixed assets as indicated in Schedule II. The management believe that the above assessment truly represents the useful life of assets in the absence of any evidence to the contrary.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

g. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through its sale rather than through continuing use. Such non-current assets classified as held sale are measured at the lower of their carrying amount and fair value less costs to sale. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal Company is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

h. Expenditure during Construction Period

Expenditure directly relating to construction activity are capitalized. Other expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the statement of profit and loss.

i. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

j. Investment in Subsidiaries

The investment in subsidiary is carried at cost as per Ind AS 27. Investment accounted for at cost is accounted for in accordance with Ind AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per Ind AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Leases

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is a lessee

Finance Lease, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased items, are capitalized at the inception of the lease term at the lower of fair value of the leased item and the present value of minimum lease payments. Lease payments are

apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset except if the escalation in lease is within general inflation rate and consumer price index. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the term of hire, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Leases, where the lessor effectively retains substantially all risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

I. Inventories

Basis of valuation:

Inventories other than scrap materials are valued at lower of cost and net realizable value, if any. The comparison of cost and net realizable value is made on an item-by-item basis.

Method of Valuation:

- Cost of raw materials are determined by using FIFO method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- Cost of traded goods are determined by using FIFO method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- Cost of finished goods are determined by using Weighted Average Cost method and comprises all costs of purchase of raw materials and duties & taxes thereto (other than those subsequently recoverable from tax authorities), direct overheads and all other costs incurred in converting the raw materials into finished products.
- 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.

m. Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. 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 risks 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.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o. Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Group and is declared by the shareholders. A corresponding amount is recognized directly in equity.

p. Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q. Employee Benefits

1. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2. Other long-term employee benefit obligations

a. Gratuity

The Employee's Group Gratuity Scheme, which is defined benefit plan, is managed by Life Insurance Corporation of India (LIC). The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the LIC Group Gratuity Scheme. The Company has no obligation, other than the contribution payable to the said scheme. Any liability arising on account of gratuity payable, is borne by LIC.

b. Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

c. Compensated Absences/Leave Encashment

Accumulated leaves which is expected to be utilized within next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and discharge at the year end.

d. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the sharebased payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r. Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company financial performance.

s. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

t. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fairvalue (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost.

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at fair value through other comprehensive income (FVTOCI),
- Debt instruments at fair value through profit and loss (FVTPL),
- Debt instruments at amortized cost,
- Equity instruments.

Debt instruments at amortized cost

A debt instrument is measured at amortized cost if both the following conditions are met:

- a. Business Model Test : The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- b. Cash flow characteristics test: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a. Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b. Cash flow characteristics test: The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognized the interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity investments of other entities

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in profit & loss account all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument, excluding dividends, are recognized in the Profit & Loss Account. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e removed from the Company statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - a. The Company has transferred the rights to receive cash flows from the financial assets or
 - b. The Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is

continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure :

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows “simplified approach” for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 17.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12- months ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities besides other may include loans and borrowings including trade payables, trade deposits, retention money and liability towards services, sales incentive, other payables and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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

designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company senior management determines change in the business model as a result of external or internal changes which are significant to the Company operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

u. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

v. Segment Reporting Policies

As the Company business activity primarily falls within a single business and geographical segment and the Board of Directors monitors the operating results of its business units not separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements, thus there are no additional disclosures to be provided under Ind AS 108 – “Segment Reporting”. The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another. The Company operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on geographical location of the customers.

w. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/ cheques in hand and short-term investments with an original maturity of three months or less.

2.3 Recent Accounting Developments

(a) Standards issued but not yet effective:

IND AS 115: Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, ‘Revenue from Contracts with Customers’. The Standard is applicable to the Company with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it

becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or

services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard from 1st April, 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

3. Property, Plant and Equipment :

(Rs. in Lacs)

Name of the Assets	AT COST			DEPRECIATION AND AMORTISATION			NET BLOCK			
	Gross Block as at 1 April 2017	Additions during the year	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block as at 31 March 2018	Depreciation and Amortisation as at 1 April 2017	Depreciation and Amortisation during the year	Disposals/ Deductions/ Transfers/ Reclassifications upto 31 March 2018	Total Depreciation and Amortisation upto 31 March 2018	AS AT 31 March 2018	AS AT 31 March 2017
Land -Freehold	5.57	-	-	5.57	-	-	-	-	5.57	5.57
Buildings, Roads etc.	20.74	-	-	20.74	1.05	1.02	-	2.08	18.66	19.69
Plant and Equipment	203.16	6.27	-	209.43	17.84	18.76	-	36.60	172.83	185.32
Office Equipments	1.29	3.80	-	5.09	0.38	1.01	-	1.40	3.69	0.91
Vehi des	34.49	-	6.02	28.46	4.58	5.04	5.72	3.90	24.57	29.91
Furnitures and Fixtures	3.49	0.22	-	3.71	0.43	0.44	-	0.88	2.83	3.06
Total	268.73	10.29	6.02	273.00	24.29	26.28	5.72	44.84	228.16	244.44

(Rs. in Lacs)

Name of the Assets	AT COST			DEPRECIATION AND AMORTISATION			NET BLOCK			
	Gross Block as at 1 April 2016	Additions during the year	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block as at 31 March 2017	Depreciation and Amortisation as at 1 April 2016	Depreciation and Amortisation during the year	Disposals/ Deductions/ Transfers/ Reclassifications upto 31 March 2017	Total Depreciation and Amortisation upto 31 March 2017	AS AT 31 March 2017	AS AT 1 April 2016
Land -Freehold	5.57	-	-	5.57	-	-	-	-	5.57	5.57
Buildings, Roads etc.	20.74	-	-	20.74	-	1.05	-	1.05	19.69	20.74
Plant and Equipment	187.33	15.83	-	203.16	-	17.84	-	17.84	185.32	187.33
Office Equipments	1.01	0.28	-	1.29	-	0.38	-	0.38	0.91	1.01
Vehi des	8.89	25.59	-	34.49	-	4.58	-	4.58	29.91	8.89
Furnitures and Fixtures	3.31	0.18	-	3.49	-	0.43	-	0.43	3.06	3.31
Total	226.84	41.89	-	268.73	-	24.29	-	24.29	244.44	226.84

Notes :

1. The company has reviewed carrying cost of its Property, Plants & Equipments and the management is of the view that in the current financial year, Impairment of its Property, Plants & Equipments is not considered necessary as all the assets are in good condition and realisable value is more than carrying cost.

SIGNIFICANT CASH GENERATING UNITS

The Company has identified its entire business operations as one CGU.

Following key assumptions were considered while performing Impairment testing:

Long term sustainable growth rates in cash flows	5%
Weighted Average Cost of Capital % (WACC) before tax (Discount rate)	15%

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance. Margins are based on FY 2017-18 performance. The Company has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

2. On transition to Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS.

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4. Capital Work in Progress

Particulars	(Rs in Lacs)		
	31-Mar-18	31-Mar-17	1-Apr-16
Construction Work in Progress - Tangible Assets (Including unallocated capital expenditure, materials at site) Less: Provision for Capital Losses	48.61	0.50	-
	-	-	-
	48.61	0.50	-
TOTAL	48.61	0.50	-

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5. Investment Property :

Name of the Asset	AT COST				DEPRECIATION AND AMORTISATION			NET BLOCK		
	Gross Block as at 1 April 2017	Addition during the year	Transfers from Construction Work-in-progress	Disposals/ Deductions/ Transfers / Reclassifications	Gross Block as at 31 March 2018	Depreciation and Amortisation as at 1 April 2017	Depreciation and Amortisation during the year	Disposals/ Transfers / Redassifications upto 31 March 2018	AS AT 31 March 2018	AS AT 31 March 2017
Godown Buildings	81.37	-	-	-	81.37	1.52	1.52	-	78.32	79.84
Total	81.37	-	-	-	81.37	1.52	1.52	3.05	78.32	79.84

Name of the Asset	AT COST				DEPRECIATION AND AMORTISATION			NET BLOCK		
	Gross Block as at 1 April 2016	Addition during the year	Transfers from Construction Work-in-progress	Disposals/ Deductions/ Transfers / Reclassifications	Gross Block as at 31 March 2017	Depreciation and Amortisation as at 1 April 2016	Depreciation and Amortisation during the year	Disposals/ Transfers / Redassifications upto 31 March 2017	AS AT 31 March 2017	AS AT 1 April 2016
Godown Buildings	81.37	-	-	-	81.37	-	1.52	-	79.84	81.37
Total	81.37	-	-	-	81.37	-	1.52	1.52	79.84	81.37

UFM INDUSTRIES LIMITED
6. Financial Assets

Particulars	(Rs. in Lacs)			
	31-Mar-18	31-Mar-17	1-Apr-16	Current 31-Mar-18 31-Mar-17 1-Apr-16
A) Investments :				
i) Investments in equity shares :				
a) In Subsidiary Companies	-	-	-	-
b) In Associate Companies	-	-	-	-
c) In Joint Venture Entities	-	-	-	-
d) In Others:				
Investments in Equity Shares at fair value through P&L Account (fully paid):				
Quoted:				
- Tata Consultancy Services Ltd.	2.96	2.53	2.62	-
[(2018 : 104 Shares) , (2017 : 104 Shares)]				
- Alok Industries Ltd.	0.04	0.04	0.06	-
[(2018 : 1,375 Shares) , (2017 : 1,375 Shares)]				
- Future Life Style Fashion Ltd.	0.00	0.00	0.00	-
[(2018 : 1 Shares) , (2017 : 1 Shares)]				
- Future Retailis Ltd.	0.02	0.01	-	-
[(2018 : 3 Shares) , (2017 : 3 Shares)]				
- Rico Auto Industries Ltd.	0.79	0.57	0.34	-
[(2018 : 1,000 Shares) , (2017 : 1,000 Shares)]				
- Shree Precoated Steel Ltd.	0.00	0.01	0.01	-
[(2018 : 700 Shares) , (2017 : 700 Shares)]				
- Haldyn Glass Gujrat Ltd.	3.78	4.50	2.92	-
[(2018 : 10,000 Shares) , (2017 : 10,000 Shares)]				
- Nahar Industrial Enterprise Ltd.	2.16	3.40	1.57	-
[(2018 : 3,000 Shares) , (2017 : 3,000 Shares)]				
- Ajmera Realty & Infra Ltd.	0.72	0.61	0.41	-
[(2018 : 300 Shares) , (2017 : 300 Shares)]				
- United Bank of India Ltd.	0.01	0.02	0.02	-
[(2018 : 100 Shares) , (2017 : 100 Shares)]				
Unquoted:				
- Harak Chand Investments Ltd.	1.62	1.61	1.61	-
[(2018 : 16,395 Shares) , (2017 : 16,395 Shares)]				
- Shri Lalit Cold Storage (P) Ltd.	6.79	5.83	5.44	-
[(2018 : 9,800 Shares) , (2017 : 9,800 Shares)]				
- Laxmiji Sugar Mills Co. Ltd.	-	4.25	4.25	-
[(2018 : 42,500 Shares) , (2017 : 42,500 Shares)]				
- Gold Stone Cement Ltd.	586.90	581.79	172.39	-
[(2018 : 16,16,661 Shares) , (2017 : 16,16,661 Shares)]				
Sub-total	605.79	605.17	191.64	-

ii) Investments in Preference Shares	-	-	-	-
iii) Investments in Government Securities	-	-	-	-
iv) Investments in Debentures & Bonds	-	-	-	-
v) Investments in Mutual Funds	-	-	-	-
vi) Investments in Partnership Firms - M/s Lalit Flour Mills, Agartala	146.01	141.01	141.01	-
vii) Other Investments	-	-	-	-
TOTAL	751.80	746.18	332.64	-
Disclosures :				
Details of Investment in Equity Shares:				
Aggregate book value of quoted investments	10.48	11.68	7.95	-
Aggregate market value of quoted investments	10.48	11.68	7.95	-
Aggregate value of unquoted investments	595.31	593.49	183.68	-
Aggregate amount of impairment in value of investments	4.25	-	-	-
Details of Investment in Partnership Firm :				
Name of Partners with Profit / Loss Sharing Ratio	146.01	141.01	141.01	-
- UFM Industries Ltd. - 33.33%	2.00	2.00	2.00	-
- Vishal Jain - 33.33%	5.10	5.10	5.10	-
- Avishek Jain - 33.33%	153.11	148.11	148.11	-
B) Trade Receivables	-	-	-	-
C) Loans (at amortised cost) :				
i) Security Deposits				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	20.33	20.33	20.33	-
Unsecured, Considered Doubtful	-	-	-	-
Less : Provision for Doubtful Deposits	-	-	-	-
TOTAL	20.33	20.33	20.33	-
D) Other Financial Assets :				
i) Share Application Money	-	-	27.00	-
ii) Rent Receivable	-	-	-	5.58
iii) Others	-	-	-	8.36
TOTAL	-	-	27.00	14.86
				14.51

UFM INDUSTRIES LIMITED
7. Other Assets

(Unsecured, considered good unless stated otherwise)

Particulars	Non-Current		Current		(Rs. in Lacs)
	31-Mar-18	31-Mar-17	1-Apr-16	31-Mar-17	
Advance for Purchase of Goods :					
To Related Parties	-	-	-	-	-
To Others	-	-	152.00	36.03	0.11
Less: Provision for Doubtful Advance	-	-	1.85	-	-
Advances (Others) :					
To Related Parties	-	-	-	-	-
To Others	-	-	102.67	101.85	103.63
Less: Provision for Doubtful Advance	-	-	-	-	-
Prepaid Expenses	0.30	0.05	3.45	5.13	2.72
Total	0.30	0.05	0.10	143.01	106.47

8. Inventories

(valued at lower of cost and net realisable value)

Particulars	Note	At 31 March		At 1 April		(Rs. in Lacs)
		2018	2017	2016	2016	
In Hand :						
Stores, Spares etc.	A	16.65	12.08	8.89	-	
Less : Provision for Losses		-	-	-	-	
Raw Materials	B	16.65	12.08	8.89	8.89	
Finished Products	C	509.47	427.21	367.66	367.66	
Stock in Trade	D	67.30	60.73	93.78	93.78	
Packing Materials	E	-	-	-	-	
		28.61	11.61	2.00	2.00	
		622.02	511.63	472.33	472.33	
In Transit :						
Stores & Spares		-	-	-	-	
Raw Materials		-	-	-	-	
Finished Products		-	-	-	-	
Stock in Trade		-	-	-	-	
Packing Materials		-	-	-	-	
TOTAL		622.02	511.63	472.33	472.33	

9. Trade Receivables

Particulars	(Rs. in Lacs)		
	At 31 March 2018	At 31 March 2017	At 1 April 2016
Trade receivables - related parties	61.38	-	45.15
Trade receivables - others	145.67	191.06	143.62
Total Trade Receivables	207.05	191.06	188.76

Particulars	(Rs. in Lacs)		
	At 31 March 2018	At 31 March 2017	At 1 April 2016
From Related Parties			
Secured, Considered Good	-	-	-
Unsecured, Considered Good	61.38	-	45.15
Unsecured, Considered Doubtful	-	-	-
From Others			
Secured, Considered Good	61.38	-	45.15
Unsecured, Considered Good	145.67	191.06	143.62
Unsecured, Considered Doubtful	-	-	-
Total	207.05	191.06	188.76
Less : Provision for Doubtful Debts*	-	-	-
	207.05	191.06	188.76

*Note : No bad debt has been booked during last 5 financial years, accordingly management does not estimate any bad debt against the existing trade receivables.

10. Cash and Cash Equivalent

Particulars	Note No.	(Rs. in Lacs)		
		31-Mar-18	31-Mar-17	1-Apr-16
Bank Balances:				
Current Account		22.71	194.20	23.74
Cheques, Drafts in hand		-	-	-
Cash Balances, Including Imprest		52.15	36.45	49.23
TOTAL		74.86	230.65	72.96

(Rs. in Lacs)

11. Share Capital

(Rs. in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Authorized: 70,00,000 (2017 : 70,00,000) Equity Shares of Rs 10 each	700.00	700.00	700.00
Issued, Subscribed and Paid Up: 59,32,600 (2017 : 59,32,600) Equity Shares of Rs 10 each fully paid up	593.26	593.26	593.26
TOTAL	593.26	593.26	593.26

A. Reconciliation of No. of Equity Shares

Particulars	31 March 2018	31 March 2017	1 April 2016
Opening Balance	5,932,600	5,932,600	5,932,600
Shares Issued	-	-	-
Shares bought back	-	-	-
Closing Balance	5,932,600	5,932,600	5,932,600

B. Terms/Rights attached to equity shares

The Company has one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing AGM, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

No Shares were allotted for consideration other than cash, no bonus shares were issued & no shares were bought back in the last 5 Years.

The Company does not have any holding, ultimate holding, subsidiary or associate company. Accordingly the question of shareholding by such Companies does not arise.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	31 March 2018		31 March 2017		1 April 2016	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
- Tara Mani Devi Jain	315,015	5.31%	315,015	5.31%	315,015	5.31%
- Tara Rani Jain	334,108	5.63%	334,108	5.63%	334,108	5.63%
- Harak Chand Investment Ltd.	343,580	5.79%	343,580	5.79%	343,580	5.79%
- Mahabir Prasad Jain	377,415	6.63%	377,415	6.63%	377,415	6.63%
- Radio Supply Stores (Cinema) (P) Ltd.	399,900	6.74%	399,900	6.74%	399,900	6.74%
- Sheetal Farms Ltd.	700,800	11.81%	700,800	11.81%	700,800	11.81%

UFM INDUSTRIES LIMITED
12. Other Equity

Particulars	(Rs. in Lacs)		
	31 March 2018	31 March 2017	1 April 2016
Capital Reserve : As per Last Account	1.21	1.21	1.21
Securities Premium Reserve : As per Last Account	1.21 162.50 162.50	1.21 162.50 162.50	1.21 162.50 162.50
General Reserve : As per Last Account	78.92 78.92	78.92 78.92	78.92 78.92
Retained Earnings : Balance Brought Forward from Last Year's Account Add: Profit for the Year Balance carried forward to next year	655.16 71.31 726.47	559.32 95.84 655.16	559.32 - 559.32
TOTAL	969.09	897.78	801.94

UFM INDUSTRIES LIMITED
13. Long term Borrowings (at amortised cost)

(Rs in Lacs)

Particulars	Long Term		Current maturities *	
	31 March 2018	31 March 2017	1 April 2016	1 April 2016
NON CURRENT BORROWINGS				
SECURED LOANS				
Term Loans:				
From other parties				
North Eastern Development Finance Corporation (Nedfi)**	-	1.04	9.08	8.04
HDFC Bank***	1.41	15.88	-	-
Total Secured Loans	1.41	16.92	9.08	8.04
UNSECURED LOANS				
Term Loans :				
Total Unsecured Loans	-	-	-	-
TOTAL NON-CURRENT BORROWINGS	1.41	16.92	9.08	8.04

* Current maturities are carried to Note - 16 : Other financial liabilities (Current)

**** Security Details for NEDFI Term Loan:**

- i) Secured by Equitable mortgage of the ownership rights of the plot of land in the name of the company measuring 39 Bigha 1 Katha 8 Lechas and all building and civil structures there in under Dag No 36, 681, 682, 683, 688, 689, 746, 910 under Patta No 239, Vill : Dumardaha, Golakganj Circle, PO : Balajan, Dubri, Assam.
- ii) Personal Guarantee of Mr. Mahabir Prasad Jain and Mr. Avishek Jain.
- iii) Rupee Term Loan shall be repaid in 72 monthly installments consisting of 71 installments of Rs. 67,000 and last installment of RS. 43000/- starting from 01/03/2015 with 8% interest.

***** Security Details for HDFC Bank Term Loan:**

- i) Secured by way of hypothecation of asset (Truck) acquired under the said term loan from HDFC Bank.
- ii) Rupee Term Loan shall be repaid in 34 monthly installments of Rs. 71,294 starting from 05/08/2016.

UFM Industries Limited
14. Short Term Borrowings (at amortised cost)
(Rs in Lacs)

Particulars	Short Term		
	31 March 2018	31 March 2017	1 April 2016
CURRENT BORROWINGS			
SECURED LOANS			
Loans Repayable on Demand			
From Banks:			
Cash Credit *	534.92	608.29	67.92
From Others:	-	-	-
Total Secued Loans	534.92	608.29	67.92
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks	-	-	-
From Others:	-	-	-
Total Unsecued Loans	-	-	-
TOATL CURRENT BORROWINGS	534.92	608.29	67.92

*** Security Details of Cash Credit Limit from United Bank of India :**

(i) Hypothecation of present and future stock of raw materials, stock in trade, finished goods, stock in transit, book debts and other current assets of the company, present and future.

(ii) Exclusive 1st Charge on Company's immovable fixed assets including Equitable mortgage of Land, measuring 18 Bigha 5 Katha 3 Chatak with shed, structures, buildings situated at Meherpur, Silchar - 788015, Dag No 1180, 1188, 1189, 1191, 1194 and 1198, R. S. Patta No. 411, 407/407, Mouza : Ambicapur Part X, District - Cachar, owned by the company.

(iii) Exclusive 1st Charge on movable fixed assets of the company.

(iv) Personal Guarantee of the Directors namely Mahabir Prasad Jain, Avishek Jain and Tara Rani Jain.

15. Trade payables (at amortised cost)
(Rs in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Sundry Creditors:			
Dues of Micro, Small and Medium Enterprises*	-	-	-
Dues to Related Parties	-	-	-
Dues to others	166.29	20.61	19.88
TOTAL	166.29	20.61	19.88

* The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

16. Other Financial Liabilities

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Other financial liabilities at amortised cost				
Current maturity of long term loans (Refer Note 13)	-	-	8.33	8.75
Employee Liabilities	-	-	2.45	-
Other Liabilities	-	-	-	-
Total other financial liabilities at amortised cost	-	-	10.78	8.75
Financial guarantee contracts	-	-	-	-
Total other financial liabilities	-	-	10.78	8.75

(Rs in Lacs)
17. Other Liabilities

Particulars	Non Current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Government Grant (Refer Note Below)	20.05	20.41	-	-
Statutory Liabilities	-	-	2.56	2.31
Others	0.01	0.01	-	-
Total	20.06	20.42	2.56	2.31

(Rs in Lacs)

Note : Government Grant here refers to subsidy received in FY 2014-15 towards Godown constructed in the FY 2013-14. In accordance with Ind AS 20, government grant is being recognised as Income in Profit & Loss Account over the remaining life of the said asset.

Particulars	Amount (Rs)	Life of Asset	Depreciation Per Year	Balance as on	
				31.03.2015	31.03.2016
Asset Balance as on 01.04.2014	70.37	59	1.15	69.22	68.07
Government Grant Balance as on 01.04.2014	21.50	59	0.36	21.14	20.78
Less : Salvage Value	48.87		0.79	48.08	47.30
Depreciable Value as on 01.04.2014	2.50				
Cost of Asset as on 01.04.2014	46.37				
Original Cost of Asset	71.54				
Less : Depreciation for FY 2013-14	1.17				
	70.37				

UFM INDUSTRIES LIMITED
18. Income Tax

The major components of income tax expense for the years ended 31 March 2018, 31 March 2017 and 1 April 2016 are:

Particulars	(Rs in Lacs)		
	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Tax Expense:			
Current tax	19.04	18.33	13.43
Adjustments in respect of current income tax of previous year	1.77	-	-
Deferred tax:			
Relating to origination and reversal of temporary differences	(12.32)	20.41	(0.88)
MAT Credit Entitlement	-	-	-
Income tax expense reported in the statement of profit or loss	8.49	38.74	12.55

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018, 31 March 2017 and 1 April 2016:

Particulars	(Rs in Lacs)		
	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Accounting profit before tax from continuing operations	79.80	134.58	43.97
Accounting profit before tax from discontinuing operations	-	-	-
Accounting profit before income tax	79.80	134.58	43.97
Statutory income tax rate	25.75%	30.90%	30.90%
Computed estimated tax expense	20.55	41.58	13.59
Adjustments in respect of current income tax of previous years	1.77	-	-
Non-deductible expenses for tax purposes	1.22	0.13	0.54
Income to be considered under other head	(7.71)	(10.79)	(5.98)
Taxable Income under Other Head of Income	5.41	7.66	4.41
Deferred Tax Adjustment due to change in enacted tax rate	(12.82)	-	-
Others	0.08	0.15	-
At the effective income tax rate of 10.64% (31 March 2017 : 28.79%, 1 April 2016: 28.54%)	8.49	38.74	12.55
Income tax expense reported in the statement of profit and loss	8.49	38.74	12.55

Deferred Tax :

Particulars	(Rs in Lacs)		
	As at 1-Apr-16	As at 31-Mar-17	As at 31-Mar-18
Deferred tax liability:			
Related to Fixed Assets	33.83	35.22	28.60
Revaluations of FVTPL Investments to fair value	22.69	41.71	36.01
Total deferred tax liability (A)	56.52	76.93	64.61
Deferred tax assets:			
	-	-	-
Total deferred tax assets (B)	-	-	-
Deferred Tax Liability (Net) (A - B)	56.52	76.93	64.61

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.

UFM INDUSTRIES LIMITED

19. Revenue From Operations

Breakup of "Revenue From Operations" in profit and loss is as follows:

Particulars	<i>(Rs in Lacs)</i>	
	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Sale of Products (including excise duty)	6,806.80	6,672.99
Less: Discounts	-	-
Sales (Net of discounts)*	6,806.80	6,672.99
Sale of Services	8.04	8.94
Other operating revenues	-	-
Total	6,814.84	6,681.93

*Item wise sales of goods are shown as per Note - 19.1 for FY 2017-18 & Note - 19.2 for FY 2016-17

UFM INDUSTRIES LIMITED

Note 19.1 : Item wise sales of goods during the FY 2017-18

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Atta	58,290.00	1,242.34	22,223.95	288.82	80,513.95	1,531.17
Maida	96,264.95	2,368.30	62,613.10	1,388.45	158,878.05	3,756.75
Suji	2,659.50	74.19	530.55	11.85	3,190.05	86.03
Bran	39,143.75	744.02	30,503.80	553.65	69,647.55	1,297.66
Wheat	6,655.50	135.19	-	-	6,655.50	135.19
TOTAL	203,013.70	4,564.03	115,871.40	2,242.77	318,885.10	6,806.80

Note 19.2 : Item wise sales of goods during the FY 2016-17

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Atta	67,524.63	1,378.03	17,132.65	240.82	84,657.28	1,618.85
Maida	91,160.05	2,269.80	64,671.80	1,504.86	155,831.85	3,774.67
Suji	1,430.75	40.34	709.65	16.36	2,140.40	56.70
Bran	37,098.85	674.04	27,969.90	506.29	65,068.75	1,180.33
Wheat	1,973.80	42.44	-	-	1,973.80	42.44
TOTAL	199,188.08	4,404.65	110,484.00	2,268.33	309,672.08	6,672.99

UFM Industries Limited

20. Other Income

(Rs in Lacs)

	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Interest on:		
Bank Deposits	-	-
Security Deposit	1.27	1.45
	1.27	1.45
Dividend from:		
- Related parties	-	-
- Other companies	0.16	0.13
Fair value gain on financial assets/financial liabilities at fair value through profit or loss	4.87	61.54
Renting of Godown	28.22	33.33
	34.52	96.45

21. Cost of Materials consumed

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Opening Stock	427.21	367.66
Add: Purchases*	6,137.74	6,043.97
	6,564.95	6,411.63
Less: Closing Stock	509.47	427.21
Raw materials consumed	6,055.48	5,984.43

Particulars relating to consumption of raw material are as follows :

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Wheat**	6,054.73	5,983.72
Flour Improver	0.75	0.71
Total	6,055.48	5,984.43

*Purchase (Net of Discounts) includes various direct/incidental expenses like transportation, labour, cess, brokerage, demurrage, etc

**Item wise Purchases, Opening Stock and Closing Stock of material consumed are shown in Note 21.1 for FY 17-18 and Note 21.2 for FY 16-17.

UFM INDUSTRIES LIMITED

Note 21.1 : Item wise Purchases, Opening and Closing Stock of material consumed during the FY 2017-18

CLOSING STOCK

Commodities	Silchar Unit Qty. (In MT)	Silchar Unit Amount (Rs. In Lacs)	Gauripur Unit Qty. (In MT)	Gauripur Unit Amount (Rs. In Lacs)	Grand Total Qty. (In MT)	Grand Total Amount (Rs. In Lacs)
Wheat	16,758.00	315.97	11,664.23	193.49	28,422.23	509.47
TOTAL	16,758.00	315.97	11,664.23	193.49	28,422.23	509.47

OPENING STOCK

Commodities	Silchar Unit Qty. (In MT)	Silchar Unit Amount (Rs. In Lacs)	Gauripur Unit Qty. (In MT)	Gauripur Unit Amount (Rs. In Lacs)	Grand Total Qty. (In MT)	Grand Total Amount (Rs. In Lacs)
Wheat	14,297.00	297.38	7,623.85	129.83	21,920.85	427.21
TOTAL	14,297.00	297.38	7,623.85	129.83	21,920.85	427.21

PURCHASE

Commodities	Silchar Unit Qty. (In MT)	Silchar Unit Amount (Rs. In Lacs)	Gauripur Unit Qty. (In MT)	Gauripur Unit Amount (Rs. In Lacs)	Grand Total Qty. (In MT)	Grand Total Amount (Rs. In Lacs)
Wheat OM	4,000.00	85.00	778.41	15.34	4,778.41	100.34
Wheat OM IS	198,034.46	3,914.17	105,442.24	1,958.62	303,476.70	5,872.80
Wheat- PDS	5,660.00	35.78	14,940.00	92.72	20,600.00	128.50
Wheat-LFM PDS	5,660.00	35.35	-	-	5,660.00	35.35
TOTAL	213,354.46	4,070.31	121,160.65	2,066.68	334,515.11	6,136.99

Note 21.2 : Item wise Purchases, Opening and Closing Stock of material consumed during the FY 2016-17

CLOSING STOCK

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Wheat	14,297.00	297.38	7,623.85	129.83	21,920.85	427.21
TOTAL	14,297.00	297.38	7,623.85	129.83	21,920.85	427.21

OPENING STOCK

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Wheat	8,920.00	142.32	14,023.31	225.34	22,943.31	367.66
TOTAL	8,920.00	142.32	14,023.31	225.34	22,943.31	367.66

PURCHASE

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Wheat OM	64,912.80	1,355.08	15,566.15	321.20	80,478.95	1,676.27
Wheat OM IS	131,326.98	2,677.08	81,036.79	1,568.72	212,363.77	4,245.80
Wheat- PDS	5,330.00	33.45	8,760.00	54.51	14,090.00	87.96
Wheat-LFM PDS	5,330.00	33.23	-	-	5,330.00	33.23
TOTAL	206,899.78	4,098.85	105,362.94	1,944.42	312,262.72	6,043.27

UFM INDUSTRIES LIMITED

22. Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Opening stock		
Finished goods*		93.78
Stock-in-progress		-
Stock-in-trade		-
	60.73	93.78
Less :		
Closing stock		
Finished goods*	67.30	60.73
Stock-in-progress	-	-
Stock-in-trade	-	-
	67.30	60.73
(Increase) / decrease		
Finished goods	(6.57)	33.05
Stock-in-progress	-	-
Stock-in-trade	-	-
	(6.57)	33.05

*Item wise opening and closing stock of finished goods are shown as per Note - 22.1 for FY 17-18 ad Note - 22.2 for FY 16-17

Note 22.1 : Item wise opening and closing stock of finished goods for FY 2017-18

CLOSING STOCK

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Atta	1,176.00	25.97	26.10	0.52	1,202.10	26.49
Maida	826.00	18.24	275.85	5.52	1,101.85	23.76
Suji	40.25	0.89	5.85	0.12	46.10	1.01
Bran	721.00	10.90	418.34	5.15	1,139.34	16.05
TOTAL	2,763.25	55.99	726.14	11.31	3,489.39	67.30

OPENING STOCK

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Atta	183.00	4.07	73.35	1.37	256.35	5.44
Maida	500.00	11.13	303.30	5.69	803.30	16.82
Suji	24.25	0.54	5.85	0.11	30.10	0.65
Bran	1,537.75	32.33	335.55	5.50	1,873.30	37.82
TOTAL	2,245.00	48.07	718.05	12.66	2,963.05	60.73

UFM INDUSTRIES LIMITED

Note 22.2 : Item wise opening and closing stock of finished goods for FY 2016-17

CLOSING STOCK

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Atta	183.00	4.07	73.35	1.37	256.35	5.44
Maida	500.00	11.13	303.30	5.69	803.30	16.82
Suji	24.25	0.54	5.85	0.11	30.10	0.65
Bran	1,537.75	32.33	335.55	5.50	1,873.30	37.82
TOTAL	2,245.00	48.07	718.05	12.66	2,963.05	60.73

OPENING STOCK

Commodities	Silchar Unit		Gauripur Unit		Grand Total	
	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)	Qty. (In MT)	Amount (Rs. In Lacs)
Atta	2,113.23	31.82	50.85	0.95	2,164.08	32.77
Maida	519.50	10.39	160.90	3.02	680.40	13.41
Suji	32.75	0.66	2.70	0.05	35.45	0.71
Bran	2,447.95	40.17	527.01	6.71	2,974.96	46.88
TOTAL	5,113.43	83.04	741.46	10.74	5,854.89	93.78

UFM Industries Limited

23. Employee Benefits Expense

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Salaries and wages	125.07	98.09
Contribution to provident and other funds	11.26	8.35
Staff welfare expenses	3.17	6.66
	139.50	113.11

24. Finance Costs

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Interest expense:		
Interest on debts and borrowings		
Cash Credit	53.87	28.47
Bonds/ Debentures	-	-
Term loans from Banks	1.81	2.60
Others *	0.06	0.00
Sub total	55.74	31.07
Other Borrowing Costs	-	6.38
	55.74	37.45

25. Depreciation and amortization expense

(Rs in Lacs)

Particulars	Note No.	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Depreciation of property, plant and equipment	3	26.28	24.29
Depreciation of Investment Property	5	1.52	1.52
Less : Government Grant recognised as	17	27.80	25.81
		0.36	0.36
Amortisation of intangible assets		27.44	25.44
		-	-
		27.44	25.44

UFM Industries Limited
26. Other Expenses

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Consumption:		
a) Stores, Spares and Consumables	49.05	28.42
b) Packaging Materials	66.98	42.41
Power & Fuel	248.49	227.08
Repairs and Maintenance		
i) Plant & Machinery	1.28	11.16
ii) Buildings	5.63	5.72
iii) Others	11.34	12.10
Freight, Transportation Charges and Demurrage	-	22.32
Impairment of Investments (Net)	4.25	-
Office Administration, Selling and Other Expenses (Note-26.1)	111.25	101.12
TOTAL	498.27	450.32

NOTE - 26.1: OFFICE,ADMINISTRATION,SELLING AND OTHER EXPENSES

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Office Rent	2.64	2.64
Insurance	8.33	6.56
Rates & Taxes	2.12	1.55
Donations	-	-
Payment to Auditors	-	-
a) Audit Fees	0.20	0.18
b) Tax Audit Fees	0.05	0.05
Travelling & Conveyance	8.06	2.11
Telephone & Internet Expenses	1.29	1.47
Printing & Stationery	1.33	1.30
Share Listing & Registrar Fees	0.91	2.88
Advertisement Expenses	1.28	2.48
Bank Charges	1.36	0.55
Handling Expenses	18.14	11.60
Motor Car Upkeep	0.65	1.88
Truck Running Expenses	55.79	55.79
Miscellaneous Expenses	9.11	10.08
TOTAL	111.25	101.12

27. Exceptional items

(Rs in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Profit on Sale of Fixed Assets	0.30	-
TOTAL	0.30	-

UFM INDUSTRIES LIMITED

28. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18		31-Mar-17	
Profit attributable to equity holders of the parent		71.31		95.84
- Continuing Operations (Rs. In Lacs)		-		-
- Discontinued Operations (Rs. In Lacs)				
- Total (Rs. In Lacs)		71.31		95.84
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted)		5,932,600		5,932,600
Earning Per Share (Basic and Diluted) (Amount in Rs)		1.20		1.62
Face value per share (Amount in Rs)		10.00		10.00
Computation of Weighted Average No. of Equity Shares		FY 2017-2018		FY 2016-2017
		No. Shares		No. Shares
(A) Total Number of Shares issued of ` 10 each		5,932,600		5,932,600
(B) Paid for Fully paid up Shares fully paid ` 10 paid up		5,932,600		5,932,600
(C) Paid for partly paidup Shares		-		-
(D) Proportionate fully paid up shares of (C) above		-		-
(E) Weighted Average No. Of Shares of ` 10 each fully paid up		5,932,600		5,932,600

29 EMPLOYEE BENEFITS

The Company maintains provident fund with Regional Provident Fund Commissioner. Contributions are made by the company to the Fund, based on the current salaries. In the provident fund scheme, contribution are also made by the employee. An amount of Rs. 907,275.00 (Previous Yr Rs. 710,589.00) has been charged to the Statement of Profit & Loss on account of the above defined contribution scheme.

The Company operates defined benefit schemes like gratuity. The Company has obtained a policy from Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees. Annual actuarial valuations are carried out by LICI and the management has accepted the said actuarial valuation for making provisions pertaining to Define Benefit Schemes for employees in compliance with Ind AS-19 on Employees Benefits . Annual Contributions are made by the Company. Employees are not required to make any contribution. An amount of Rs. 49,423.00 (Previous Yr Rs. 919.00) has been charged to the statement of Profit & Loss on account of Defined Benefit Schemes.

30 RELATED PARTY TRANSACTIONS

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) and description of their relationship and transaction carried out with them during the year in the ordinary course of business are given below:

30.1 Details of Related Parties:

Name of Related Parties	Type of Relation
- Dharmendra Industrial Stores, Silchar	Director/Key Managerial Person is Interested
- Shri Lalit Cold Storage (P) Ltd., Silchar	Director/Key Managerial Person is Interested
- Lalit Enterprise, Silchar	Relative of Director/Key Managerial Person has significant Influence
- Navin Food Industries, Silchar	Director/Key Managerial Person is Interested
- Sethi Flour Mills, Malua	Director/Key Managerial Person is Interested
- United Commercial Co., Silchar	Director/Key Managerial Person is Interested
- Lalit Poly Weave LLP	Director/Key Managerial Person is Interested
- Avishek Printers & Publishers	Director/Key Managerial Person is Interested
- Gold Stone Cement Ltd.	Director/Key Managerial Person is Interested
- Mahabir Prasad Jain	Director/Key Managerial Person
- Avishek Jain	Director/Key Managerial Person
- Vishal Jain	Relative of Director/Key Managerial Person
- Yogesh Jain	Relative of Director/Key Managerial Person

30.2 Details of related party transactions during the year ended 31.03.2018 :

(Rs.in Lacs)

TYPE OF TRANSACTION	Associate	KMP	Relatives of KMP	Entities in which KMP / Relative of KMP has significant influence	Total
Advances for Materials	-	-	-	152.00	152.00
Sales	-	-	-	-	-
Purchase/Material Consumed (Stores , Spares & Consumables)	-	-	-	189.75 (456.60)	189.75 (456.60)
Remuneration to KMP	-	18.00 (18.00)	-	92.67 (89.98)	92.67 (89.98)
Printing & Stationery	-	-	-	-	18.00 (18.00)
Lease Rent	-	-	13.20 (13.20)	0.79 (0.61)	0.79 (0.61)
Hiring Charges	-	0.36 (0.45)	0.58 (0.28)	-	13.20 (13.20)
Salary	-	-	3.60 (3.60)	-	0.94 (0.73)
	-	-	-	-	3.60 (3.60)

30.3 Outstanding Balances As at 31st March, 2018

(Rs.in Lacs)

TYPE OF TRANSACTION	Associate	KMP	Relatives of KMP	Entities in which KMP / Relative of KMP has significant influence	Total
Investments	-	-	-	739.69 (728.63)	739.69 (728.63)
Advances for Materials	-	-	-	152.00	152.00
Receivables	-	-	-	-	-
	-	-	-	61.38	61.38
	-	-	-	-	-

Note 1 : Brackets ' () ' imply figures for previous year .

Note 2 : Related Party Relationship is identified on the basis of available information .

Note 3 : No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from/ to above related parties.

31 DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)

There are no Micro and Small Scale Business Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2018. This information as required to be disclosed under the MSMED Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

32 EXPENDITURE IN FOREIGN CURRENCY

Particulars	FY 2017-2018	FY 2016-2017
Purchase of Fixed Asset	NIL	NIL
Purchase of Stores and Spares	NIL	NIL

33 EARNING IN FOREIGN EXCHANGE

Particulars	FY 2017-2018	FY 2016-2017
	NIL	NIL

34 VALUE OF IMPORTS (CALCULATED ON CIF BASIS)

Particulars	FY 2017-2018	FY 2016-2017
Purchase of Fixed Asset	NIL	NIL
Purchase of Stores and Spares	NIL	NIL

35 VALUE OF RAWMATERIALS CONSUMED

Particulars	FY 2017-2018		FY 2016-2017	
	Rs. In Lacs	%	Rs. In Lacs	%
Indegeneous	6,055.48	100%	5,984.43	100%
Imported	-	0%	-	0%

36 VALUE OF STORES/ SPARES & COMPONENTS CONSUMED

Particulars	For FY 2017-2018		For FY 2016-2017	
	Rs. In Lacs	%	Rs. In Lacs	%
Indegeneous	116.02	100%	70.83	100%
Imported	-	0%	-	0%

37 CONTINGENT LIABILITY CAPITAL & OTHERS COMMITMENTS (to the extent not provided for)

Particulars	FY 2017-2018	FY 2016-2017
Contingent Liability Not Provided For	NIL	NIL
Capital & other Commitments	NIL (Refer Note 37.1)	NIL (Refer Note 37.1)

37.1 The Company's leasing arrangements are in respect of operating leases for premises (residential and office). These leasing arrangements which are cancellable, range between 11 months and 10 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss.

38 SEGMENT REPORTING

As the Company's business activity primarily falls within a single business and geographical segment i.e. Flour Mill Products, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segment". The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another.

39 DISCLOSURE UNDER CLAUSE 32 OF LISTING AGREEMENT

There are no reportable transactions / balance with related parties that requires disclosure as per clause 32 of the Listing Agreement.

40 The figures have been rounded off to the nearest lakhs of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than Rs. 1,000/-.

Figures relating to April 1, 2016 (date of transition) has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

41 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets :

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

(Rs. In Lacs)

Particulars	Date of Valuation	Fair Value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Assets measured at fair value: Investments	March 31, 2018	751.80	10.48	595.31	146.01

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

(Rs. In Lacs)

Particulars	Date of Valuation	Fair Value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Assets measured at fair value: Investments	March 31, 2017	746.18	11.68	593.49	141.01

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:

(Rs. In Lacs)

Particulars	Date of Valuation	Fair Value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Assets measured at fair value: Investments	March 31, 2016	332.64	7.95	183.68	141.01

There are no significant transfers between Level 1, 2 & 3.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to the following risks:

- Credit risk
- Interest risk
- Liquidity risk
- Market risk

CREDIT RISK

Credit Risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments and other financial instruments.

Trade receivables

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Credit risk exposure :

The Company's credit period generally ranges from 30 - 60 days. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:.

Particulars	(Rs. In Lacs)	
	For the year ended 31st March 2018	31st March 2017
Revenue from Top Customers	1,902.67	1,134.60
Revenue from Top 5 Customers	889.14	919.00
	2,791.81	2,053.60

Top Customer means customer with whom the company has done a business of more than Rs. 1,00,00,000 during the year. None of the customers accounted for a major portion of the receivables as at March 31, 2018 and March 31, 2017. The highest contribution to the total revenue by a customer for FY 18-19 was 2.80% & for FY 17-18 was 5.12% only.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. Counterparty credit ratings are reviewed by the Company periodically and the investments are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failures. The Company does not expect any losses from non-performance by these counterparties.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents is as below.

Particulars	For the year ended	
	31st March 2018	31st March 2017
Cash & Cash Equivalents	74.86	230.65
	74.86	230.65

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Particulars	On Demand	Less than 12 months	1 to 5 years	> 5 years
As at March 31, 2018				
Borrowings	-	534.92	-	-
Trade & other payables	-	166.29	-	-
Other financial liabilities	2.45	8.33	1.41	-
As at March 31, 2017				
Borrowings	-	608.29	-	-
Trade & other payables	-	20.61	-	-
Other financial liabilities	-	8.75	16.92	-
As at March 31, 2016				
Borrowings	-	67.92	-	-
Trade & other payables	-	19.88	-	-
Other financial liabilities	-	8.04	9.08	-

MARKET RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's does not face exchange risk as it is not engaged in foreign operations. The Company's exposure to the risk of changes in foreign exchange rates could relate only to the Company's operating activities (when revenue or expense would be denominated in a foreign currency).

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018, March 31, 2017 and April 1, 2016.

(Rs. In Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Equity Share Capital	593.26	593.26	593.26
Free Reserve	805.38	734.07	638.24
Reserve to Share Capital (In no. of times)	1.36	1.24	1.08

44 Disclosures as Required by Indian Accounting Standard (Ind As 101) First Time Adoption of Indian Accounting Standards

These are Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Previous GAAP carrying value as deemed cost

Freehold land (properties), other than investment property, were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of cost less accumulated depreciation. The Company has adopted to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date i.e. April 1, 2016.

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

Recognition of financial assets and financial liabilities

Ind AS 109 requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. In accordance with Ind AS 109 "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability. Ind AS 101 requires a first time adopter to apply the above requirement retrospectively i.e. from the date of initial recognition of the financial asset/ liability. However, a first time adopter may find it impractical to apply the effective interest method in Ind AS 109 retrospectively. If this is the case, the fair value of financial asset or liability at the date of transition to Ind AS is the new gross carrying amount of that financial asset or the new amortized cost of that financial liability.

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- > FVTPL – unquoted equity shares
 - > Impairment of financial assets based on expected credit loss model.
- The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

45 Financial Instruments

The accounting classification of each category of financial instruments, their carrying amounts and fair value amounts are set out below:

**Financial Assets :
March 31, 2018**

Particulars	(Rs. In Lacs)		
	Fair Value through Profit or Loss	Amortised Cost	Total carrying cost
Investments	605.79	146.01	751.80
Trade & Other Receivables	-	207.05	207.05
Security Deposits	-	20.33	20.33
Other Non Current Financial Assets	-	-	-
Cash and Cash Equivalents	-	74.86	74.86
Other Current Financial Assets	-	5.58	5.58
Total	605.79	453.82	1,059.61

March 31, 2017

Particulars	(Rs. In Lacs)		
	Fair Value through Profit or Loss	Amortised Cost	Total carrying cost
Investments	605.17	141.01	746.18
Trade & Other Receivables	-	191.06	191.06
Security Deposits	-	20.33	20.33
Other Non Current Financial Assets	-	-	-
Cash and Cash Equivalents	-	230.65	230.65
Other Current Financial Assets	-	14.86	14.86
Total	605.17	597.90	1,203.08

March 31, 2016

Particulars	(Rs. In Lacs)		
	Fair Value through Profit or Loss	Amortised Cost	Total carrying cost
Investments	191.64	141.01	332.64
Trade & Other Receivables	-	188.76	188.76
Security Deposits	-	20.33	20.33
Other Non Current Financial Assets	-	27.00	27.00
Cash and Cash Equivalents	-	72.96	72.96
Other Current Financial Assets	-	14.51	14.51
Total	191.64	464.58	656.21

**Financial Liabilities :
March 31, 2018**

Particulars	(Rs. In Lacs)		
	Fair Value through Profit or Loss	Amortised Cost	Total carrying cost
Borrowings	-	536.33	536.33
Trade Payables	-	166.29	166.29
Other Current Financial Liabilities	-	10.78	10.78
Total	-	713.40	713.40

March 31, 2017

Particulars	(Rs. In Lacs)		
	Fair Value through Profit or Loss	Amortised Cost	Total carrying cost
Borrowings	-	625.21	625.21
Trade Payables	-	20.61	20.61
Other Current Financial Liabilities	-	8.75	8.75
Total	-	654.57	654.57

March 31, 2016

Particulars	(Rs. In Lacs)		
	Fair Value through Profit or Loss	Amortised Cost	Total carrying cost
Borrowings	-	77.00	77.00
Trade Payables	-	19.88	19.88
Other Current Financial Liabilities	-	8.04	8.04
Total	-	104.92	104.92

The management was unable to identify and depreciate significant components with different useful lives separately from the principal asset as required by Note 4 of Schedule II of Companies Act 2013 due to lack of technical expertise on the said matter. However, having a reasonable approach, the company assumes that none of the parts of an item of tangible fixed assets have different useful lives from the remaining parts of the asset or the principal asset and as per the past experience of the company, there are no significant components of existing tangible assets that are used/ can be used for a lifespan shorter/longer than life of the principal asset.

Reconciliation of Equity as at April 1, 2016 and March 31, 2017 previously reported under Ind GAAP to Ind AS
(Rs.in Lacs)

Particulars	Foot Note No.	Opening Balance Sheet as at April 1, 2016		Balance Sheet as at March 31, 2017		
		Ind GAAP	Effects of transition to Ind AS	Ind AS	Ind GAAP	Effects of transition to Ind AS
I ASSETS						
(1) Non - Current Assets						
Property, Plant and Equipment	2	287.43	60.59	226.84	303.88	244.44
Capital work-in-progress		-	-	-	0.50	0.50
Investment Property	2	-	(81.37)	81.37	-	79.84
Goodwill		-	-	-	-	-
Other Intangible Assets		-	-	-	-	-
Intangible assets under development		-	-	-	-	-
Biological Assets other than bearer		-	-	-	-	-
Financial Assets		-	-	-	-	-
(i) Investments	3	259.20	(73.44)	332.64	611.20	746.18
(ii) Trade receivables		-	-	-	-	-
(iii) Loans		20.33	-	20.33	20.33	20.33
(iv) Others		27.00	-	27.00	-	-
Other Non-Current Assets		0.10	-	0.10	0.05	0.05
(2) Current Assets						
Inventories		472.33	-	472.33	511.63	511.63
Financial Assets		-	-	-	-	-
(i) Investments		-	-	-	-	-
(ii) Trade Receivables		188.76	-	188.76	191.06	191.06
(iii) Cash and Cash Equivalents		72.96	-	72.96	230.65	230.65
(iv) Other Bank balances		-	-	-	-	-
(v) Loans		-	-	-	-	-
(vi) Others		14.51	-	14.51	14.86	14.86
Current Tax Assets (Net)		35.57	-	35.57	62.82	62.82
Other Current Assets		106.47	-	106.47	143.01	143.01
Total Assets		1,484.66	(94.22)	1,578.88	2,089.99	2,245.38

(Rs.in Lacs)

Particulars	Foot Note No.	Opening Balance Sheet as at April 1, 2016		Balance Sheet as at March 31, 2017			
		Ind GAAP	Effects of transition to Ind AS	Ind AS	Ind GAAP	Effects of transition to Ind AS	Ind AS
II EQUITY AND LIABILITIES							
(1) Equity							
Equity Share capital		593.26	-	593.26		593.26	
Other Equity	3	751.19	(50.75)	801.94	(93.27)	897.78	
Liabilities							
(1) Non-current liabilities							
Financial Liabilities							
(i) Borrowings		9.08	-	9.08		16.92	16.92
(ii) Trade Payables		-	-	-		-	-
(iii) Other financial liabilities		-	-	-		-	-
Other non current liabilities	1	0.01	(20.78)	20.79	(20.41)	20.42	20.42
Provisions		-	-	-		-	-
Deferred tax liabilities (Net)	3	33.83	(22.69)	56.52	(41.71)	76.93	76.93
(2) Current liabilities							
Financial Liabilities							
(i) Borrowings		67.92	-	67.92		608.29	608.29
(ii) Trade Payables		19.88	-	19.88		20.61	20.61
(iii) Other financial liabilities		8.04	-	8.04		8.75	8.75
Other current liabilities		1.45	-	1.45		2.31	2.31
Provisions		-	-	-		-	-
Current tax liabilities (Net)		-	-	-		0.10	0.10
Total Equity and Liabilities		1,484.66	(94.22)	1,578.88	(155.39)	2,089.99	2,245.38

**Reconciliation of Statement of Profit and Loss
for the year ended March 31, 2017 reported under Ind GAAP to Ind AS**

Particulars	Foot Note No.	Year ended March 31, 2017		
		Ind GAAP	Effects of transition to Ind AS	Ind AS
I INCOME	3			
Revenue From Operations		6,681.93	-	6,681.93
Other Income		34.91	61.54	96.45
Total Income (I)		6,716.84	61.54	6,778.37
II EXPENSES				
Cost of Material Consumed		5,984.43	-	5,984.43
Changes in inventories of finished goods, stock-in-Trade and work in progress		33.05	-	33.05
Employee Benefits Expense		113.11	-	113.11
Finance Costs		37.45	-	37.45
Depreciation and amortization expense		25.44	-	25.44
Other Expenses		450.32	-	450.32
Total Expenses (II)		6,643.80	-	6,643.80
III Profit before exceptional items and tax (I-II)		73.04	61.54	134.58
IV Exceptional Items		-	-	-
V Profit / (Loss) before tax (III-IV)		73.04	61.54	134.58
VI Tax Expense:				
(1) Current Year Taxes		18.33	-	18.33
(2) Previous Year Taxes		-	-	-
(3) Deferred Tax		1.40	19.01	20.41
VII Profit / (Loss) for the period from continuing operations (V-VI)		53.32	42.52	95.84

(Rs.in Lacs)

(Rs. in Lacs)

Particulars	Foot Note No.	Year ended March 31, 2017		
		Ind GAAP	Effects of transition to Ind AS	Ind AS
VIII Profit/(loss) from Discontinued Operations		-	-	-
IX Tax expense of Discontinued Operations		-	-	-
X Profit/(loss) from Discontinued Operations (after tax) (VIII-IX)		-	-	-
XI Profit / (Loss) for the period (VII + X)		53.32	42.52	95.84
XII Other Comprehensive Income				
A)				
(i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
B)				
(i) Items that will not be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
XIII Total Comprehensive Income for the period (XI + XII) [Comprising Profit (Loss) and Other Comprehensive Income for the period]		53.32	42.52	95.84

UFM Industries Limited

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and Profit or loss for the year ended March 31, 2017

1. Government Grant in the form of capital subsidy was received in FY 2014-15 towards Godown constructed in the FY 2013-14. In accordance with AS 12 the same was adjusted with carrying value of Godown and accordingly depreciation was charged on reduced carrying value. However, as required by Ind AS 20, government grant has been booked as Other Non Current Liabilities and carrying value of Godown has been increased by the same amount. Government Grant is being recognised as Income in the Profit & Loss Account over the remaining life of the said asset. Accordingly, higher amount of depreciation has been charged on increased value of Godown which is set off against the government grant recognised as above.

(Details in Note 17 & 25)

2. According to Ind AS 40 - "Investment Property", Investment Property refers to properties (land or building or both) held by the owner or lessee under finance lease, to earn rentals or for capital appreciation or both. Accordingly, godowns held by the Company for rentals have been classified as Investment Properties at the carrying value as on April 1, 2016 and accordingly depreciation has been charged on the said carrying value as per Sch II of the Companies Act'2013.

(Details in Note 5)

3. As required by Ind AS 109, financial assets are required to be valued at fair value. Accordingly, Investments have been revalued at its fair values as on April 1, 2016, March 31, 2017 and March 31, 2018. Differences in the carrying value as per Ind GAAP and Ind AS have been recognised through Profit & Loss Account under the head "Other Income" for the year ending March 31, 2017 and March 31, 2018. However, differences in the carrying value as per Ind GAAP and Ind AS as on April 1, 2016 have been adjusted (Net of Deferred Tax) in the balance of Retained Earnings as on April 1, 2016. Deferred Tax Liability as on April 1, 2016 has been increased to consider the tax effect of the said revaluation. Deferred Tax Liability has been further increased/decreased to consider the tax effect of revaluation of the said investments at fair value as on March 31, 2017 and March 31, 2018.

(Details in Note 6, 18 & 20)

As per our report of even date attached.

For P. A. Agarwal & Co.
Chartered Accountants
FRN : 327316E

For & on behalf the Board of Directors

Mahabir Prasad Jain
Managing Director
DIN : 00498001

Tara Rani Jain
Director
DIN : 00545789

CA. Pulkit Agarwal
Partner
M. No. 069321

Avishek Jain
Director & CFO
DIN : 01383018

Jyoti Jain
Company Secretary

Place : Silchar
Date : 15.06.2018



UFM INDUSTRIES LIMITED

CIN: L15311AS1986PLC002539
Regd. Office: Meherpur, Silchar, Assam – 788 015
Tel: 03842 – 224822/224996, Fax: 03842 – 241539
Email: ufmindustries@rediffmail.com
Website: ufmindl.weebly.com

ATTENDANCE SLIP

Folio No./ DP ID and Client ID:

Name:

Address:

No. of Shares held :

I/We hereby record my/our attendance at the 32nd Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 2:00 P.M. at the registered office of the Company.

Member's/Proxy's name in block letters

Member's/Proxy's signature

Notes:

1. Registration will start at 01:00P.M. and close at 01:45 P.M. on the day of Annual General Meeting.
2. The members are required to produce their duly signed Attendance Slips and get their entry passes from the registration counter.
3. This Attendance Slip is valid only in case shares are held on the date of the Annual General Meeting.



UFM INDUSTRIES LIMITED

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PROXY FORM NO. MGT -11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

Email Id:

Folio No. / DP ID and Client ID:

I /We, being the member(s) of the Company and holding _____ shares of the Company, hereby appoint: -

1. Name: _____, Address: _____

Email: _____, Signature: _____, or failing him/her

2. Name: _____, Address: _____

Email: _____, Signature: _____, or failing him/her

3. Name: _____, Address: _____

Email: _____, Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 at 02:00 P.M. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	RESOLUTIONS	Optional*	
		For	Against
Ordinary Business			
1	Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mrs. Tara Rani Jain (DIN: 00545789) as a Director of the Company, liable to retire by rotation.		
Special Business			
3	Revision in remuneration of Mr. Mahabir Prasad Jain (DIN: 00498001), Managing Director		

Signed this _____ day of _____, 2018

Signature of the shareholder _____

Signature of the proxy holder _____

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. * It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
Please complete all details including details of member(s) in the above box before submission.

Route Map

