

# UMANG DAIRIES LIMITED

Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002



22<sup>nd</sup> August 2022

## Electronic Filing

Department of Corporate Services/Listing  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

National Stock Exchange of India Ltd.  
"Exchange Plaza" Bandra-Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Scrip Code No. 500231

Symbol: UMANGDAIRY  
Series : EQ

Dear Sir/Madam,

**Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annual Report for the financial year ended 31<sup>st</sup> March 2022**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith Annual Report of the Company for the Financial Year 2021-22, along with the Notice of 29<sup>th</sup> Annual General Meeting being sent to those Members by e-mail whose e-mail addresses are registered with the Company/ Depository Participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at [www.umangdairies.com](http://www.umangdairies.com).

Submitted for your kind reference and records.

Thanking you

Yours faithfully  
For Umang Dairies Limited

(Pankaj Kamra)  
Company Secretary

Encl: a/a

Cc: National Securities Depository Ltd. (E-mail: [manish.sharma@nsdl.co.in](mailto:manish.sharma@nsdl.co.in))  
Central Depository Services (India) Ltd. (E-mail: [GreenInitiative@cdslindia.com](mailto:GreenInitiative@cdslindia.com))  
MAS Services Ltd. (E-mail: [info@masserv.com](mailto:info@masserv.com))



Admn. Office : Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002, Ph. : (011) 66001162, 66001112, Fax : 23739475

E-mail : [umang@jkmall.com](mailto:umang@jkmall.com)

Regd. Office : Gajraula Hasanpur Road, Gajraula - 244 235 Dist. Amroha (U.P.) Ph. : (05924) 252491- 92, Fax : (05924) 252495

E-mail : [udl@umangdairy.com](mailto:udl@umangdairy.com), Website : [www.umangdairies.com](http://www.umangdairies.com), C I N : L15111UP1992PLC014942

AN ISO 9001 : 2008, HACCP, ISO 14001 : 2004 & OHSAS 18001 : 2007 Certified Company

# Umang Swad aur Khushiyan Badhaye

**Annual Report 2021-22**



**UMANG DAIRIES LIMITED**





Working towards a self-reliant, healthy nation with our wide range of milk-based products with top-grade quality, taste and purity. Umang Dairies enhances the quality of life with products that are fresh, rich in health-based contents and filled with happiness.



## **BOARD OF DIRECTORS**

Ram Chandra Periwal  
Sharda Devi Singhania  
Amar Singh Mehta  
Desh Bandhu Doda  
Virupakshan Kumaraswamy  
Rajiv Sheopuri

### **ADMINISTRATIVE OFFICE**

Gulab Bhawan (Rear Block), 3<sup>rd</sup> Floor  
6A, Bahadur Shah Zafar Marg  
New Delhi - 110 002  
Phone : (011) 68201770  
E-mail : [umang@jkmil.com](mailto:umang@jkmil.com)  
website : [www.umangdairies.com](http://www.umangdairies.com)

### **REGISTERED OFFICE**

Gajraula-Hasanpur Road  
Gajraula - 244 235  
Distt. Amroha  
Uttar Pradesh  
Phone : (05924) 252491 - 2  
E-mail : [udl@umangdairies.com](mailto:udl@umangdairies.com)

### **AUDITORS**

Singhi & Co.  
Chartered Accountants

### **COMPANY SECRETARY**

Pankaj Kamra

### **BANKERS**

Axis Bank

### **SHARE TRANSFER AGENT**

MAS Services Ltd.  
T-34, 2<sup>nd</sup> Floor, Phase - II  
Okhla Industrial Area  
New Delhi – 110 020  
Phone : (011) 26387281/82/83  
E-mail : [investor@masserv.com](mailto:investor@masserv.com)

## BOARD'S REPORT AND MANAGEMENT DISCUSSIONS AND ANALYSIS

### To the Members,

The Directors have pleasure in presenting the 29th Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March 2022.

### FINANCIAL RESULTS

(₹ in crore)

Particulars	2021-22	2020-21
Revenue from Operations	208.08	248.95
Profit/(Loss) before Finance Cost and Depreciation (PBITD)	(10.23)	14.62
Profit/(Loss) before Tax (PBT)	(19.69)	6.09
Profit/(Loss) after Tax (PAT)	(14.25)	4.10
Surplus brought forward	40.73	37.73
Total amount available for appropriation	26.47	41.83
<b>APPROPRIATIONS:</b>		
General Reserve	0.00	0.00
Dividend (Incl. Tax)	1.10	1.10
Surplus carried forward	25.37	40.73

### DIVIDEND

In view of losses, the Directors have not recommended any dividend for the financial year 2021-22 on equity shares.

### OPERATIONS

The Revenue from Operations was ₹208.08 crore during the year as compared to ₹248.95 crore in the previous year.

The 2nd wave of COVID-19 jolted the confidence of customers, pushing down the overall demand for consumer products. Your Company's Dairy Creamer business suffered badly in the first half of the year because of significant price reduction by competition. After aggressive marketing and promotion initiatives, sales of consumer products started recovering from second half.

Though overall market started improving in second half of 2021-22, input prices remained high due to poor milk availability, especially in the flush season. Margins thus remained under pressure in the second half with price increases lagging input cost increases.

Your Company's products have been well accepted in Institutions and Hotel and Restaurant segments (HORECA) and your Company is working on various value-added product categories to enhance our offerings. Your Company has also added new customers in the category of Institution and HORECA and continues its efforts to further expand its customer base.

Your Company also launched 2 new products based on changing demand patterns and consumer research. All the products garnered good response in the market. In the coming year, your Company stands committed to rebound the business and continuously build consumer, institutional and bulk business.

### Milk Procurement / Raw Material Security

Rural India being not untouched from the impact of second wave of COVID-19, lockdown led to unemployment among casual labour and millions slipped into poverty last year due to job losses. Shrinking farmer margins led to low investment on cattle and dairy. This resulted in low availability of milk during second half of 2021-22 (flush season) and steep increase in milk prices.

Your Company has enhanced its milk procurement capabilities at the village level, adding new collection centres and BMCs. Your Company is helping farmers to have more sustainable business and providing support to get low-cost fodder, veterinary support, and empowering farmers by providing literacy training programs like development of clean milk etc.

## Food Safety

Food Safety and Quality always remained the key focus area for your Company during FY 2021-22.

We upgraded our plant to further amendments of FSSC 22000 version 5.0, GMP and Quality Management System as per ISO: 9001 – 2015. 20 Certified Internal Auditors continued their support for compliances across functions at the plant site as well as the front end.

Good Manufacturing Practices (GMP), Prevention of Food Fraud, Food Threats and Integrated Pest Management System remained the most important compliance practices.

Your Company successfully cleared GMP & Food Safety Audits, conducted by the four renowned brands in FY 2021-22. This covers infrastructure and systems in the dairy processing plant for food safety compliance. In-house capability of QA lab is maintained and enhanced the systems and processes.

COVID Protocol compliance played a key role during the pandemic and all the staffs received FASSAI approved COVID prevention training with an aim of Food Safety Compliance on shop floor and benefit to individuals.

## INDUSTRY SCENARIO

### INDIAN DAIRY INDUSTRY

India remained the largest producer and consumer for dairy products. However, COVID-19 slowed down the pace of milk production due to constrained investment lead to low productivity per bovine and less improvement in the population of milch animals. On the other hand, it helped farmers to get better milk prices during the year while bringing in new investment opportunities in Dairy Farming.

Liquid milk remained the largest segment within the Indian dairy industry. The growth of some value-added product categories witnessed significant growth due to health and hygiene concerns with recommended higher protein intake due to COVID-19.

## OPPORTUNITIES & THREATS

### Opportunities

- i. COVID-19 converted “out of home consumption” trend into “order online”. As the consumer intent to shop online continues to increase, it will create more opportunities for the value added dairy product category.
- ii. Participation of start-ups in the dairy industry will support significant infrastructure investment across processing, chilling, logistics, cattle feed etc.
- iii. Product engineering in the value added category and introduction of innovative products, as per the specific requirements of the customers, will bring growth in the coming years.

### Threats

- i. Growth in milk production is not in line with the demand because of stagnancy in the population of bovine milch animals and availability of Artificial Intelligence technologies to only 50% of the farmers.
- ii. Less yield from milch animals due to less feed and heat stress, owing to climate change and shortening of growing seasons.

## GROWTH OUTLOOK

Indian Dairy industry witnessed a steady recovery after the COVID-19. Most of the value-added product categories are expected to deliver a double digit growth in the coming years. Rapid urbanisation and population growth will help in robust growth of the liquid milk market, which is estimated to grow by 2.5 times in the next 5 years.

## RISKS & CONCERNS

Dairy analogues, adulteration and plant-based products pose a major challenge and threat to the dairy industry and specially to value added product category.



## HUMAN RESOURCE MANAGEMENT/ INDUSTRIAL RELATIONS

Employees are considered as key stakeholders in the progress of organisation and various initiatives are being taken to upgrade their skills through internal and external training. Job rotation opportunities are encouraging people to take on new roles and maximize their learning and work experience. "Reward and Recognition" schemes have been introduced to develop a competitive and performance-oriented work culture. Automation of HR functions helps in building speed, accuracy and improve employee experience. In order to encourage leadership and problem-solving qualities among workmen, your Company has established cross Functional Team projects. Your Company provides various Communication platforms with Senior Leadership to ensure open and transparent feedback from employees.

Industrial Relations remained cordial throughout the year under review.

## INTERNAL CONTROL SYSTEM

The Company has in place adequate internal controls commensurate with the size and nature of its operations.

There is a Corporate Internal Audit team consisting of qualified professionals. In addition, services of external Audit firm is also availed to further strengthen its effectiveness. Regular internal audits are conducted to review the internal control systems and compliance thereof as per the annual audit plan approved by Audit Committee of the Board. The findings of the Audit team are reviewed by the Audit Committee and corrective actions are initiated, where necessary. In addition, the Company also follows a Compliance monitoring software tool to capture status of all applicable statutory compliances online.

## DETAILS OF SIGNIFICANT CHANGES (i.e. change of 25% or more compared to the immediate previous financial year)

S. No.	Particulars	UOM	2021-22	2020-21	% Change	Definition	Remark for variation
1	Debtors Turnover Ratio	Days	15.72	21.05	25.30%	Sales/Average Trade Receivables	Better Sales Realization
2	Interest Coverage Ratio	Times	-2.37	3.91	-160.75%	EBITDA/Finance Cost	Due to Losses
3	Debt Equity Ratio	Times	1.14	0.58	-97.19%	Gross Debt/Equity	Due to Losses
4	Operating Profit Margin	%	-5%	6%	-184.99%	EBITDA/Net Sales	Due to Losses
5	Net Profit Margin	%	-6.99%	1.65	-522.64%	PAT/Net Sales	Due to Losses
6	Return on Net Worth	%	-30%	6%	-571.12%	PAT/Equity	Due to Losses

## CAPITAL STRUCTURE

During the year under review, there has been no change in the Authorised and Paid-up share capital of the Company. As on 31st March 2022, the Authorised Share Capital of the Company was ₹21 crore and Paid Up Share Capital was ₹11 crore. Umang Dairies maintained its Long Term Rating and Short Term Rating as CRISIL BBB. CRISIL has not revised the credit rating of the Company during the financial year 2021-22.

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of the Companies Act, 2013 ('the Act'), the Annual Return of the Company is available on the website of the Company and can be accessed at <https://www.umangdairies.com/Annual%20Return%202020-21.pdf>

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year the Company has not given/made any loans, guarantees/securities and investments in terms of the provisions of Section 186 of the Act.

## RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2022, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Further, the Company has not entered any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in Form AOC-2 is not applicable.

SEBI vide its Notification dt. 9th November 2021 has amended the provisions relating to Related Party and Related Party Transactions, effective from 1st April 2022. Accordingly, amended Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is available on the website of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Rajiv Sheopuri (DIN:03450185) was appointed as an Independent Director of the Company for a term of three consecutive years w.e.f. 19th August 2021 by the Members at the Annual General Meeting (AGM) of the Company held on 16th September 2021. The Board is of the opinion that Shri Rajiv Sheopuri has high integrity and relevant experience.

Shri Desh Bandhu Doda (DIN:00165518), has been re-designated and appointed as Independent Director of the Company for a term of three consecutive years w.e.f. 19th August 2021 by the Members at AGM of the Company held on 16th September 2021.

Also, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 which was effective from 1st January 2022, Shri A.S. Mehta (DIN:00030694), an Independent Director of the Company, was re-designated and appointed as director liable to retire by rotation w.e.f. 1.10.2021, and Shri V. Kumaraswamy (DIN:02443804), who was appointed as Additional Director (Independent) w.e.f. 18.5.2021, has been re-designated and appointed as director liable to retire by rotation w.e.f. 19th August 2021, by the Members at the AGM of the Company held on 16th September, 2021.

Shri Virupakshan Kumaraswamy (DIN: 02443804) retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM of the Company.

Shri Ratan Chand Jain (DIN:00165590), Independent Director on the Board of the Company, passed away on 23rd April 2021 and Shri Vinit Marwaha (DIN:00051403) ceased to be Independent Director of the Company w.e.f. 16th September 2021, pursuant to abovementioned amendment in Listing Regulations. The Board places on record its appreciation for the services rendered by them during their tenure as Directors of the Company.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided under the Act and Listing Regulations.

Except as stated above, there was no other change in Directors and Key Managerial Personnel of the Company, during the year under review.

## CORPORATE SOCIAL RESPONSIBILITY

Your Company considers community as its key stakeholder and endeavours to create economically viable and socially inclusive. CSR programmes of the Company are aimed at inclusive development and welfare of the community by providing livelihood opportunities through micro enterprises, healthcare, sanitation, education, empowering women through adult literacy and other means.

The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Act. CSR Policy of the Company is displayed on the website of the Company.

During the year under review, the Company has spent ₹12.42 lac under various CSR activities.

Annual Report on the CSR activities undertaken by the Company during the financial year ended 31st March 2022, in the prescribed format, is annexed to this Report as Annexure-1 and forms part of it.

## AUDITORS & THEIR REPORTS

### (a) Statutory Auditors

In accordance with the provisions of the Act and Rules made thereunder, M/s Singhi & Co., Chartered Accountants, were appointed as Auditors of the Company to hold office from the conclusion of the 24th Annual General Meeting (AGM) held in



the year 2017 till the conclusion of 29th AGM of the Company to be held in the year 2022. Accordingly, the term of office of said Auditors shall expire at the conclusion of the forthcoming AGM.

In terms of the provisions of Section 139 of the Act and the Rules made thereunder, your Directors have recommended re-appointment of M/s Singhi & Co., Chartered Accountants, as Statutory Auditors of the Company for another term of five consecutive years from conclusion of the forthcoming AGM of the Company till the conclusion of the 34th AGM of the Company to be held in the year 2027, for approval of Members of the Company. M/s Singhi & Co. have given their consent to act as Statutory Auditors of the Company and have further confirmed that their appointment, if made, at the forthcoming AGM shall be in accordance with conditions specified in the Act.

The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

**(b) Secretarial Auditor**

The Board of Directors had appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2021-22. The Report given by him for the said financial year in the prescribed format, pursuant to the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations, is annexed to this Report as Annexure-2 and forms part of it. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**(c) Cost Auditor**

In accordance with the provisions of Section 148(1) of the Act, the Company has maintained cost accounts and records. The Cost Audit for the financial year ended 31st March 2021 was conducted by M/s Sanjay Kumar Garg & Associates, Cost Accountants, Delhi and the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the Cost Records for the financial year ended 31st March 2022, is being conducted by the said firm and the Report will also be filed with the Ministry of Corporate Affairs, Government of India.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations. Further, during the year under review, no applications were made or no proceedings were pending as at the end of the year under the Insolvency and Bankruptcy Code, 2016.

## **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## **CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there was no change in the nature of business of the Company.

## **CONSERVATION OF ENERGY ETC.**

The details as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure-3 and forms part of it.

## **PARTICULARS OF REMUNERATION**

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-4 and forms part of it. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, also form part of this Board Report. However, in terms of provisions of Section 136 of the

Act, the Annual Report for the financial year 2021-22 is being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company on working days during working hours.

## **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made part of this Annual Report.

The Corporate Governance Report which forms part of this Annual Report, also covers the following:

- a) Particulars of the five Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.
- f) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **DEPOSITS**

During the year under review, the Company has not taken any deposits from the public.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

The applicable Secretarial Standards issued under Section 118 of the Act have been complied with by the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Act, your Directors state that:-

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) the proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- f) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **CAUTIONARY STATEMENT**

Management Discussion and Analysis Report contains forward looking statements which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and



financial results are forward looking statements. These are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise such forward looking statements, on the basis of any subsequent development, information or events.

## ACKNOWLEDGEMENT

The Directors wish to thank its Customers, Shareholders, Banks, Dealers, Suppliers and Government Authorities for their continued support.

The Board also places on record its sincere appreciation of the hard work, put in by the employees at all levels during the period under report.

**On behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 20th May 2022**

**(A.S. Mehta)**  
**Director**

**(R.C. Periwal)**  
**Director**



ANNEXURE-1

**ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

- Brief outline on CSR Policy of the Company: Umang Dairies Limited endeavours to create communities that are economically viable and socially inclusive. Our CSR programmes are thus a participatory exercise designed to provide better livelihood opportunities. We also support all National Programs that are aimed at uplifting the status of women, livelihood support through micro enterprises, enabling access to healthcare, sanitation and education. The Company has been focusing on inclusive growth and it has been undertaking activities aimed at welfare of the society in the areas pertaining to Dairy Interest Groups (DIGs), animal welfare, adult literacy among women, free health check-up camps etc.

The Company has framed a CSR Policy as required under Section 135 of the Companies Act 2013 and the Rules made thereunder. The CSR Policy has been posted on the website of the Company.

- Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri R.C. Periwal	Chairman of the Committee, Independent Director	2	2
2	Shri A.S. Mehta	Member, Non-Independent Director	2	2
3	Shri D.B Doda*	Member, Independent Director	2	1
4	Shri Vinit Marwaha**	Member, Independent Director	2	1

\*Shri D.B. Doda nominated as Member of the Committee w.e.f. 19th August 2021.

\*\*Shri Vinit Marwaha ceased to be Member of the Committee w.e.f. 19th August 2021.

- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company; <https://www.umangdairies.com/pdf/CSRPoly.pdf>
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
- Average Net Profit of the Company as per section 135(5); ₹620.33 lac
- Two percent of average net profit of the company as per section 135(5); ₹12.41 lac
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years; Nil
  - Amount required to be set off for the financial year, if any; Nil
  - Total CSR obligation for the financial year (7a+7b-7c); ₹12.41 lac
  - CSR budgeted amount for the financial year: ₹12.41 lac
- (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ in lac)	Amount Unspent (₹ in lac)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12.42	Nil	NA	NA	Nil	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:** Not Applicable as Company did not have any ongoing projects for the financial year.

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount Spent for the project (₹ in lac)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1.	Formation and strengthening of Dairy Interest Groups (DIG's)	Promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently able and livelihood enhancement projects	Yes	Uttar Pradesh	Amroha	7.44	No	Sparsh Social Foundation	CSR00004430
2.	Market Linkages to DIG	Promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently able and livelihood enhancement projects	Yes	Uttar Pradesh	Amroha	4.98	Yes	Direct	-
<b>Total</b>						<b>12.42</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹12.42 lac

(g) Excess amount for set off, if any;

Sl. No.	Particular	Amount (₹ in lac)
(i)	Two percent of average net profit of the company as per Section 135(5)	12.41
(ii)	Total amount spent for the Financial Year	12.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

9. (a) Details of Unspent CSR amount for the preceding three financial years: The Company has spent excess amount on CSR activities/projects in the preceding three financial years.
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**Place: New Delhi**  
**Date: 20th May 2022**

**(A.S. Mehta)**  
**Director**

**(R.C. Periwal)**  
**Chairman, CSR Committee**





**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**Umang Dairies Limited,**  
Gajraula-Hasanpur Road,  
Gajraula – 244235  
Dist. Amroha  
Uttar Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Umang Dairies Limited (CIN: L15111UP1992PLC014942)** (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 **31st March, 2022** (Audit Period), 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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'):-
  - (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the Audit Period;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021- Not applicable to the Company during the Audit Period;
  - (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 and 2021- Not applicable to the Company during the Audit Period.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company during the Audit Period; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed that Food Safety and Standards Act, 2006, as being specifically applicable to the Company and complied with.

I have also examined compliance with applicable provisions of the Secretarial Standards I and II issued by the Institute of Company Secretaries of India and the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

#### **I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate Notice is given to all directors at least seven days in advance to schedule the Board Meeting and agenda and detailed notes on agenda are also sent 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that**, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meeting(s), 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.

**I further report that**, during the audit period, there have been no specific events in the Company.

This report is to be read alongwith the following-

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.



5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the country on account of COVID-19 have impacted, to some extent, my verification of documents and records of the Company.

**Place: New Delhi**  
**Date: 16th May 2022**  
**UDIN: F000234D000324646**

**Namo Narain Agarwal**  
**Secretarial Auditor**  
**FCS No. 234, CP No. 3331**



## ANNEXURE-3

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo in terms of Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014.**

**A) CONSERVATION OF ENERGY**

These steps taken on conservation / alternate source of energy:

- a. Open Access Power Trading through IEX, Reduction of Power Cost.
- b. Roof Top Solar Plant @700 KWp installed to reduce Grid Power consumption average per year 750000 KWH.
- c. Replaced old five motors in ETP and Liquid Milk Plant with high efficiency IE3 motors.
- d. Servo stabilizer installed for domestic power utilization (Lighting and colony).

**B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

Following projects have been initiated, completed and in partly completed during Financial Year 2021-22:

- a. Replacement of High Efficiency FRP fan in place of aluminium to reduce utility power.
- b. Belt conveyor to be used for boiler bottom ash shifting in place of manual system in power plant.
- c. HAG Furnace Modification and Shoot Blowing system installed to improved temperature efficiency and reduction of fuel.
- d. R.O.-2 capacity enhancement to maximize recovery of R.O. water and minimize the R.O. reject water.
- e. HAG Bag Filter installed to meet pollution control board norms.

**C) RESEARCH & DEVELOPMENT**

During the year, the Company has spent ₹15.02 lac on Research & Development.

**D) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	Nil

**ANNEXURE-4****Disclosure 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, for FY 2021-22:**

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company- Smt. Sharda Devi Singhania, 0.25; Shri R.C. Periwal, 1.06; Shri A.S. Mehta, 1.06; Shri V. Kumaraswamy, 0.34 (appointed w.e.f. 18.05.2021); Shri D.B. Doda, 0.92; Shri Rajiv Sheopuri, 0.20 (appointed w.e.f. 19.08.2021); Shri Vinit Marwaha, 0.39 (ceased to be Director w.e.f. 16.09.2021).
- B. The percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, in the financial year 2021-22 - Smt. Sharda Devi Singhania, (85.48%); Shri R.C. Periwal, (11.63%); Shri A.S. Mehta, (9.52%); Shri V. Kumaraswamy, Not applicable since became a Director during the financial year 2021-22; Shri D.B. Doda, 55.45%; Shri Rajiv Sheopuri, Not applicable since became a Director during the financial year 2021-22; Shri Vinit Marwaha, Not applicable since ceased to be Director w.e.f. 16.09.2021; Shri Sandeep Bhalla, Manager, was appointed during part of the financial year 2020-21, accordingly his remuneration during financial year 2021-22 was not comparable; Shri Puneet Garg, Chief Financial Officer, 4.66% and Shri Pankaj Kamra, Company Secretary, 10.64%.
- C. The percentage increase in the median remuneration of employees – 8.67%. The number of permanent employees on the rolls of Company as on 31st March 2022 – 295.
- D. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 7%. Increase in the managerial remuneration for the same financial year: Not Applicable, since Shri Sandeep Bhalla, Manager, was appointed during part of the financial year 2020-21.
- E. We affirm that the remuneration paid during the financial year 2021-22 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

On behalf of the Board of Directors

Place: New Delhi  
Date: 20th May 2022

(A.S. Mehta)  
Director

(R.C. Periwal)  
Director

## CORPORATE GOVERNANCE REPORT

**1. Company's Philosophy on Code of Governance:** Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximizing long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

**2. Board of Directors:** The Board of Directors consists of six Non-Executive Directors as on 31st March 2022, out of which, three are Independent Directors. Attendance and other details of the Directors for the financial year ended 31st March 2022 are given below:

S. No. <sup>a</sup>	Name of Directors	Category	No. of Board Meetings attended	Whether attended last AGM (16.09.2021)	No. of other Directorships and Committee Memberships/ Chairmanships		
					Other Directorships <sup>b</sup>	Other Committee Memberships <sup>c</sup>	Other Committee Chairmanships <sup>c</sup>
1.	Smt. Sharda Devi Singhania	Non-Executive Non-Independent	3	No	-	-	-
2.	Shri R.C. Periwal	Independent	5	Yes	1	1	-
3.	Shri A.S. Mehta	Non-Executive Non-Independent	5	Yes	6	4	-
4.	Shri V. Kumaraswamy (w.e.f. 18.5.2021)	Non-Executive Non-Independent	4	Yes	4	1	-
5.	Shri D.B. Doda	Independent	5	Yes	-	-	-
6.	Shri Rajiv Sheopuri (w.e.f. 19.8.2021)	Independent	2	Yes	-	-	-
7.	Shri R.C. Jain@	Independent	Not Applicable				
8.	Shri Vinit Marwaha#	Independent	3	Yes	Not Applicable		

@Shri R.C. Jain (DIN: 00165590) ceased to be Director of the Company due to his demise on 23.04.2021.

#Shri Vinit Marwaha (DIN: 00051403), ceased to be Independent Director of the Company w.e.f. 16.09.2021.

The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

- a. DIN of the above named Directors in seriatim: 1. DIN: 01685496, 2. DIN: 00168904, 3. DIN: 00030694, 4. DIN: 02443804, 5. DIN: 00165518 and 6. DIN: 03450185.
- b. excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act. Independent Directorships held by the Directors are in accordance with the Listing Regulations.
- c. only includes Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

At present the Directors of the Company have not elected any permanent Chairman but the Directors present at each meeting elect one of the Non-Executive Directors then present to be the Chairman of the meeting. However, the Company complies with requirement of Regulation 17 of the Listing Regulations, as three out of six Directors are Independent Directors.

### **Name of the Listed Entities where Director is a Director, other than Umang Dairies Limited:**

Shri A.S. Mehta is Executive Director in JK Paper Limited. Other Directors do not hold directorship in any other listed Company.

### **Date & Number of Board Meetings held**

Five Board Meetings were held during the financial year 2021-22 i.e., on 18th May 2021, 6th August 2021, 19th August 2021, 28th October 2021 and 4th February 2022.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

The Company already has a Code of Conduct in position for Management Cadre Staff. In terms of provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good corporate governance, the Board has laid down a code of conduct for all Board Members and Senior Management of the Company and the same is available on the website of the Company ([www.umangdairies.com](http://www.umangdairies.com)). All the Board Members and Senior Management Personnel have affirmed compliance with the said code. This report contains a declaration to this effect signed by Director. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Relationship between Directors inter-se: None of the Directors are related to each other.

Number of Equity Shares of ₹5/- each of the Company held by the Non-Executive Directors: Shri D.B. Doda (50 Equity Shares). The Company does not have any outstanding convertible instruments.

### **3. Separate Meeting of the Independent Directors**

In accordance with the provisions of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 4th February 2022. Shri Rajiv Sheopuri was

elected as Chairman of the meeting. All the Independent Directors of the Company except Shri R.C. Periwal who was granted leave of absence were present at the said Meeting.

### **4. Familiarisation Programme for Independent Directors**

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is:

<https://www.umangdairies.com/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

### **5. Board Skills, Expertise or Competence**

The Board of Directors collectively possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, corporate governance, education, community service and other disciplines as required in the context of the Company's operations.

The core skills, experience and knowledge of individual Directors are: (a) Smt. Sharda Devi Singhania – Education, community service and corporate governance skill; (b) Shri R.C. Periwal – marketing and corporate governance skill; (c) Shri A.S. Mehta – professional having operational, marketing, financial & industry experience and corporate governance skill; (d) Shri V. Kumaraswamy – Finance, law and corporate governance skill; (e) Shri D.B. Doda – sales & marketing and operations; and (f) Shri Rajiv Sheopuri - sales & marketing.

### **6. Performance Evaluation**

As required, Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and Individual Directors (including Independent Directors) in accordance with the provisions of the Act and the Listing Regulations.

Accordingly, the Board of Directors has made formal annual evaluation of its own performance and that of its Committees and Individual Directors (including Independent Directors) in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of members in meetings of the committees, etc.

The Board also carried out evaluation of the performance of individual Directors (including Independent Directors) on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its Committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Non-Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were satisfied in this regard.

**7. Audit Committee:** The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Four meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri A.S. Mehta	Member	Non-Executive Non-Independent	4
Shri R.C. Periwal	Member	Independent Director	4
Shri D.B. Doda*	Member	Independent Director	2
Shri R.C. Jain**	Member	Independent Director	N.A.
Shri Vinit Marwaha***	Member	Independent Director	2

\*Shri D.B. Doda nominated as Member of the Committee w.e.f. 19th August 2021.

\*\*Shri R.C. Jain ceased to be Member of the Committee due to his demise on 23rd April 2021.

\*\*\*Shri Vinit Marwaha nominated as Member of the Committee w.e.f. 28th April 2021 and ceased to be Member of the Committee w.e.f. 19th August 2021.

The Audit Committee does not have a permanent Chairman. The members of the Audit Committee present at each meeting elect one of the Independent Directors to be the Chairman of the meeting.

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
18th May 2021	3
6th August 2021	3
28th October 2021	3
4th February 2022	3

The Committee Meetings were attended by Manager, Internal Auditor, Company Secretary and the representative of Statutory Auditors. The Head of Finance Function also regularly attends the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

**8. Stakeholders' Relationship Committee:**

The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

One meeting of the Committee was held on 4th February 2022 during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meeting attended
Shri R.C. Periwal	Chairman	Independent Director	1
Shri A.S. Mehta	Member	Non-Executive Non-Independent	1
Shri D.B. Doda*	Member	Independent Director	1
Shri Vinit Marwaha**	Member	Independent Director	N.A.

\*Shri D. B. Doda nominated as Member of the Committee w.e.f. 19th August 2021.

\*\*Shri Vinit Marwaha ceased to be Member of the Committee w.e.f. 19th August 2021.

Shri Pankaj Kamra, Company Secretary is the Compliance Officer.

One investor complaint was received during the financial year ended 31st March 2022, which was promptly resolved to the satisfaction of the concerned investor. There are no pending complaints as on 31st March 2022.



The Board has delegated the power of physical share transfer/transmission/transposition to the Share Transfer Committee of Directors which are regularly attended and all valid requests are processed in time. In this regard, details of Share Transfer System are given in Point No. 16(x) of this report.

During the financial year 2021-22, 6 meetings of the said Share Transfer Committee of Directors were held.

## 9. Corporate Social Responsibility Committee:

The Composition and Role of the Committee are in conformity with the provisions of Section 135 of the Act.

Two Meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri R.C. Periwal	Chairman	Independent Director	2
Shri A.S. Mehta	Member	Non-Executive Non-Independent	2
Shri D.B. Doda*	Member	Independent Director	1
Shri Vinit Marwaha**	Member	Independent Director	1

\*Shri D. B. Doda nominated as Member of the Committee w.e.f. 19th August 2021.

\*\*Shri Vinit Marwaha ceased to be Member of the Committee w.e.f. 19th August 2021

Dates of the meetings and the number of the Members attended are:

Date of meetings	No. of Members attended
18th May 2021	3
4th February 2022	3

## 10. Nomination and Remuneration Committee:

The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Three meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri A.S. Mehta	Member	Non-Executive Non-Independent	3
Shri R.C. Periwal	Member	Independent Director	3
Shri D.B. Doda*	Member	Independent Director	3
Shri R.C. Jain**	Member	Independent Director	N.A.

\*Shri D.B. Doda nominated as Member of the Committee w.e.f. 28th April 2021

\*\*Shri R.C. Jain ceased to be Member of the Committee w.e.f. 23rd April 2021.

The Nomination and Remuneration Committee does not have a permanent Chairman. The members of the Nomination and Remuneration Committee present at each meeting elect one of the Independent Directors to be the Chairman of the meeting.

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
18th May 2021	3
19th August 2021	3
4th February 2022	3

During the financial year 2021-22, attendance of Directors/ Members of the Committees in Board/Committee meetings includes participation through Video Conferencing or Other Audio Visual Means. The Company Secretary acts as the Secretary of all the Committees of the Board.

## 11. Nomination and Remuneration Policy:

In accordance with the provisions of the Act and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management of the Company including criteria for determining qualifications, positive attributes, and independence of a Director as well as a policy on Board Diversity. The said policy is available at the website of the Company and the weblink for the same is [https://www.umangdairies.com/images/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.umangdairies.com/images/Nomination_and_Remuneration_Policy.pdf). The said policy provides as follows:

- The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board

for appointment of a Director of the Company: (a) Qualifications & Experience (b) Positive attributes like respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as an Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws & regulations and should have the capabilities identified in the description of the role and capabilities required of an independent director as may be prepared by the Committee. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The evaluation of performance of the Board, its Committees and individual Directors will be carried out by the Board, in the manner specified by the Committee from time to time and in accordance with other applicable provisions of the Act and the Listing Regulations, in this regard.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by Senior Personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management

personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## 12. Remuneration Paid to the Directors

Details of sitting fees paid by the Company to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate meeting of Independent Directors) during the financial year 2021-22 are as follows: Smt. Sharda Devi Singhania: ₹0.90 lac; Shri R.C. Periwal: ₹3.80 lac; Shri A.S. Mehta: ₹3.80 lac; Shri V. Kumaraswamy: ₹1.20 lac, Shri D.B. Doda: ₹3.28 lac; Shri Rajiv Sheopuri: ₹0.70 lac and Shri Vinit Marwaha: ₹1.40 lac.

The Company has not paid any Commission to the Non-Executive Directors for the financial year 2021-22.

Non-Executive Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the said financial year.

## 13. General Body Meetings

(A) **Location and time for last three Annual General Meetings were:**

Financial Year	Location	Date	Time
2018-19	Registered Office: Gajraula Hasanpur Road Gajraula - 244235 Distt. Amroha, Uttar Pradesh	19.09.2019	11:30 A.M.
2019-20	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	16.09.2020	11:30 A.M.
2020-21	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	16.09.2021	12:30 P.M.

- (B) Special Resolutions (SRs) passed in previous three Annual General Meetings: Five SRs were passed at the Annual General Meeting (AGM) held on 19th September 2019, Three SRs were passed at the AGM held on 16th September 2020 and Four SRs were passed at the last AGM held on 16th September 2021.
- (C) No Special Resolution was passed through postal ballot during the financial year 2021-22.
- (D) There is no immediate proposal for passing any resolution through postal ballot.

## 14. DISCLOSURES:

- (i) Related Party Transactions: Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large: None

Suitable disclosure as required by Indian Accounting Standard (Ind As)-24 on Related Party transactions has been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Act and Regulation 23 of the Listing Regulations.

The Company has amended Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions in accordance with the amendments in Regulation 23 of the Listing Regulations. This Policy is available on the website of the Company and the weblink for the same is <https://www.umangdairies.com/images/Related-Party-Transaction-Policy-2020.pdf>

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- (iii) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 7th August 2014 has formulated a Vigil Mechanism/Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

- (iv) Prevention of Sexual Harassment of Women at Workplace: The Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up a Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. During the financial year ended 31st March 2022, no complaint has been filed with ICC with allegation of sexual harassment. Further, there were no complaints pending as at the end of the financial year ended 31st March 2022.
- (v) Risk Management: The Company has an elaborate Risk Management System to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure the executive management controls risk through means of a properly defined framework.
- (vi) Disclosure of commodity price risks and commodity hedging activities: The Company manages fluctuations in raw material prices through stocking by advance procurement when the prices are perceived to be low and also enters into annual buying contracts as strategic sourcing initiative in order to keep raw material availability and prices under check.
- (vii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: During the financial year ended 31st March 2022, the Company has not raised any funds through preferential allotment or qualified institutions placement.
- (viii) A certificate has been issued by Shri Namo Narain Agarwal, Company Secretary in Practice, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.
- (ix) There were no instances where the Board had not accepted any recommendation of any Committees of the Board which is mandatorily required during the financial year ended 31st March 2022.
- (x) During the financial year ended 31st March 2022, the Company has paid total fees of ₹6.46 lac, to the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, for various services including statutory audit. Further, no fees was paid by the Company to any entity in the network firm/network entity of which the Statutory Auditors are part.

- (xi) **Subsidiary Companies:** During the financial year, the Company did not have any Subsidiary Company.

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link for the same is <https://www.umangdairies.com/images/Policy-for-Determining-Material-Subsidiary-2020.pdf>

During the financial year 2021-22, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of the Listing Regulations.

- 15. Means of Communication:** Quarterly, half yearly and annual financial results are generally published in Business Standard newspaper (all editions including Hindi edition) and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the website of the Company, [www.umangdairies.com](http://www.umangdairies.com).

Presentations made to the institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

## 16. General Shareholders' Information:

### (i) Annual General Meeting (AGM):-

- (a) **Date and Time** : Tuesday, 13th September 2022 at 12.30 P.M.

**Venue** : At the Registered Office of the Company i.e. Gajraula Hasanpur Road, Gajraula – 244235, Distt. Amroha, Uttar Pradesh or on such other date/time/place or through video conferencing /other permissible audio visual means as may be decided by the Committee of Directors in view of the prevailing COVID-19 pandemic.

- (b) A brief resume and other particulars of Director(s) seeking appointment/re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

- (ii) **Book Closure** : Wednesday, 7th September 2022 to Tuesday, 13th September 2022 (both days inclusive)
- (iii) **Dividend Payment Date** : Not Applicable
- (iv) **Financial Year** : April 1 to March 31
- (v) **Financial Calendar (tentative)** : Year Ending March 31

### Financial Reporting :

- (a) 1st Quarter ending June 30, 2022
- (b) 2nd Quarter ending September 30, 2022
- (c) 3rd Quarter ending December 31, 2022
- (d) Annual and 4th Quarter ending March 31, 2023
- (e) Annual General Meeting for the financial year ending March 31, 2023
- Within 45 days of the end of the quarter or within such time limits as may be permissible.
- Within 60 days of the end of the 4th quarter or within such time limits as may be permissible.
- Between June and September 2023

### (vi) Name and address of Stock Exchanges (including Stock Code) where equity shares of the Company are listed: The Equity Shares of the Company are listed on the following Stock Exchanges:

BSE Limited (Stock Code-500231) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	National Stock Exchange of India Ltd. (Stock Code – UMANGDAIRY) "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai-400 051
--	---

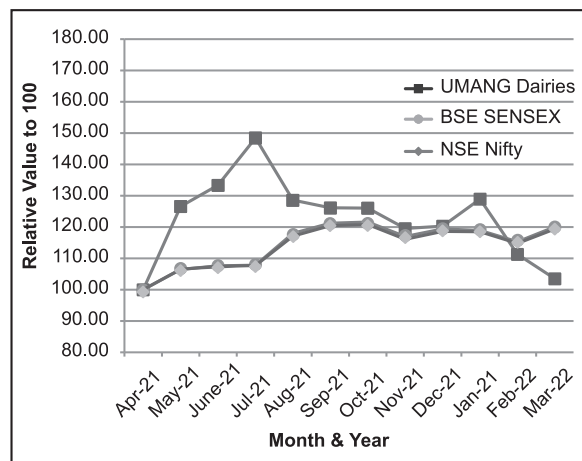
The annual listing fee for the financial year 2022-23 has been paid to both the aforesaid Stock Exchanges.

## (vii) Stock Market Price Data:

Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Ltd. (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
<b>2021</b>				
April	62.95	50.40	62.80	48.85
May	93.80	57.50	93.00	57.00
June	85.00	65.60	85.25	72.00
July	93.90	75.80	94.20	73.00
August	99.00	67.30	100.00	63.00
September	83.85	72.30	83.45	72.80
October	90.00	71.30	90.00	70.55
November	79.85	70.00	80.00	69.95
December	75.70	66.55	76.00	65.40
<b>2022</b>				
January	90.00	70.60	89.60	70.10
February	79.40	60.25	80.00	61.10
March	70.00	60.00	68.95	58.35

(Source : www.bseindia.com) (Source : www.nseindia.com)

## (viii) Umang Dairies Ltd.'s Share Performance vs. BSE Sensex and NSE Nifty (April 2021 to March 2022)



- (ix) **Dematerialisation of shares and liquidity:** The Equity Shares of the Company are presently tradable in compulsory demat segment. The ISIN for Equity Shares of the Company for both the depositories is INE864B01027. As on 31st March 2022, 96.97% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in dematerialised form, all the requests for nomination, change of address and

rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. The Company will not be in a position to process such requests.

- (x) **Share Transfer System:** Pursuant to the provisions of the Listing Regulations as amended vide SEBI Notifications dated 30.11.2018 and 24.01.2022, read with SEBI Circular dated 25.01.2022, transfer of shares shall be processed only in the dematerialised form with a depository. Accordingly, transfer of shares in physical form is not permitted. Further, transmission or transposition of shares held in physical or dematerialised form shall also be effected only in dematerialised form. On receipt of any request for duplicate issue/renewal/exchange/endorsement/sub-division/splitting/consolidation/transmission/transposition of share certificate by the Company, the Company/RTA will issue a "Letter of Confirmation", in the prescribed format.

- (xi) (a) **Distribution of Equity of shareholding (both in physical and electronic form) as on 31st March, 2022:**

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	17,419	93.85	19,57,018	8.89
501 to 1,000	654	3.52	5,38,759	2.45
1,001 to 5,000	419	2.26	8,76,617	3.98
5,001 to 10,000	43	0.23	3,11,665	1.42
Over 10,000	25	0.14	1,83,19,141	83.26
<b>Total</b>	<b>18,560</b>	<b>100.00</b>	<b>2,20,03,200</b>	<b>100.00</b>

- (b) **Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March, 2022:**

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	1,74,23,896	79.19
Resident Individuals & Trusts	44,75,996	20.34
FIs, Mutual Funds, Banks/ NBFCs	34,250	0.16
Foreign Investors/ FIIs / NRIs	69,058	0.31
<b>Total</b>	<b>2,20,03,200</b>	<b>100.00</b>

- (xii) **Outstanding GDRs / ADRs / Warrants or any other Convertible Instrument, conversion date and likely impact on equity:** NIL

- (xiii) **Commodity price risk or foreign exchange risk and hedging activities:** The Company is not subject



to commodity price risk or foreign exchange risk and therefore, was not required to undertake any hedging activities in this regard.

**(xiv) Plant location:**

Umang Dairies Limited  
Gajraula Hasanpur Road, Gajraula – 244 235  
Distt. Amroha, Uttar Pradesh.

**(xv) Address for correspondence for Share Transfer and related matters**

1. Registrar and Share Transfer Agent (RTA)  
MAS Services Ltd.  
T-34, 2nd Floor  
Okhla Industrial Area  
Phase – II  
New Delhi – 110 020  
Ph. 011-26387281/82/83  
E-mail: investor@masserv.com  
Website: www.masserv.com
2. Company Secretary  
Umang Dairies Limited  
Gulab Bhawan  
(Rear Block – 3rd Floor)  
6A, Bahadur Shah  
Zafar Marg New Delhi – 110 002  
Ph. 011- 68201776  
Fax No. 011- 23739475  
E-mail: csudl@jkmall.com  
Website: www.umangdairies.com

**(xvi) List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2022:**

CRISIL has assigned the Company's Long Term Rating and Short Term Rating as CRISIL BBB. CRISIL has not revised the credit rating of the Company during the financial year 2021-22.

**(xvii)** This Corporate Governance Report of the Company for the financial year ended 31st March 2022 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

**(xviii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:**

(a) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.umangdairies.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (b) Modified opinion(s) in audit report: The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements of the Company for the financial year ended 31st March 2022; (c) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Presently, the Company does not have any Managing Director or Chief Executive Officer. The Directors present at the meeting elect one of the Non-Executive Directors as Chairperson of the meeting; and (d) Reporting of Internal Auditor: The Internal Auditor of the Company reports to the Audit Committee and Internal Audit Reports are placed before the Audit Committee.

**(xix)** The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**(xx) Disclosure with respect to demat suspense account/unclaimed suspense account:** There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2021-22. Further, during the financial year 2021-22, the Company had transferred 49,422 Equity Shares to Investor Education and Protection Fund Authority pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

(xxi) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:** During the financial year ended 31st March 2022, the Company has not given any loans to firms or companies in which directors are interested. The Company does not have any Subsidiary.

## **17. Declaration:**

It is hereby declared that all the members of the Board and Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of Umang Dairies Limited" during the financial year ended 31st March 2022.

**R.C. Periwai**  
Director

## **18. Code for Prevention of Insider Trading**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in terms of the said Regulations.

## INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS AMENDED

To,  
The Members of Umang Dairies Ltd.  
Hasanpur Road, Distt. Amroha,  
Gajraula – 244235

1. The Corporate Governance Report prepared by Umang Dairies Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2022. This certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

### MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

7. Based on the procedures performed by us and according to the information and explanations given to us, we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 1 above.

### OTHER MATTERS AND RESTRICTION ON USE

8. This report 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.
9. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

**Bimal Kumar Sipani**  
Partner

Date: May 20, 2022  
Place: Noida (Delhi – NCR)

Membership No. 0088926  
UDIN : 22088926AJHZMM4160

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Umang Dairies Limited  
Report on the audit of the financial statements**

### **Opinion**

We have audited the accompanying financial statements of Umang Dairies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for opinion**

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<b>A. Evaluation of uncertain tax positions</b>	
<p>Refer Notes 33 to the financial statements.</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>There are several pending sales tax, income tax and other demands against the Company across various jurisdictions. Accordingly, management exercises its judgement in estimation of provision required in respect of such cases. The evaluation of management's judgements, including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, and the quantification of the ranges of potential financial settlement have been a matter of most significance during the current year audit.</p> <p>Accordingly, due to complexity / judgement involved in outcome of these dispute. Uncertain tax positions were determined to be a key audit matter in our audit of the financial statements.</p>	<p>We have obtained details of complete tax assessments and demands raised till March 31, 2022 from management. We considered management's assessment of the validity and adequacy of provisions for uncertain tax positions, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities. We have discussed the management's assumptions in estimating the tax provision and the possible outcome of the disputes.</p> <p>In respect of various tax demands and liabilities, we assessed the appropriateness of management's assumptions, estimates and disclosure / adjustments in the financial statements.</p>

Key audit matters	How our audit addressed the key audit matter
<b>B. Valuation of inventories</b>	
<p>We refer to note 1 and 7 to the financial statements.</p> <p>As at March 31, 2022, the total carrying value of inventories was ₹5273.05 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date.</p> <p>We found management's assessment of the allowance for inventory obsolescence and valuation of inventories to be reasonable based on available evidence.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

#### Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee



that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (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 Other Comprehensive Income, the

Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors and manager as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and according to the information and explanations given to us, the managerial remuneration paid/ provided by the Company for the year ended March 31, 2022 is in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. There was no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

Date: May 20, 2022  
Place: Noida (Delhi – NCR)

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AJHYUF6238

## **Annexure A**

### **To Independent Auditor's Report of even date to the members of Umang Dairies Limited on the financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)**

- (i) a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment except in case of certain assets where the same is in process of updation
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant & equipment were not physically verified during the year.
- c. Based on the records examined by us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) and included in property, plant & equipment and right of use assets [note no. 2 and 3 to the financial statements] are held in the name of the Company.
- d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) a. The management has conducted physical verification of inventories during the year at reasonable interval and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verifications.
- b. As per the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, value of stock, trade receivable and other receivables reported in the Financial Follow-up Reports filed on each quarter end by the Company with bankers are in agreement with the books of accounts except for the quarter ended March 31, 2022 which is yet to be filed.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- (vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed

outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable except Mandi Tax ₹6.23 Lakhs.

- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings where amount has been quantified:

Name of Statute	Nature of disputed dues	Amount * (₹ in Lakhs)	Period to which it relates	Forum where dispute is pending
Sales-tax, Punjab	Sales Tax Demand / Penalty / Interest	1.78	1994-95 and 1998-2000	Sales tax Tribunal, Punjab
Sales-tax, Rajasthan	Sales Tax Demand / Penalty / Interest	40.65	1995 to 2007	Sales tax Tribunal, Rajasthan
		3.00	1995-96	High Court, Rajasthan
Value Added Tax, Uttar Pradesh	Reversal of Input tax Credit	3.76	2010-11	High Court, Allahabad
	Reversal of Input tax Credit	4.17	2014-15	Sales tax Tribunal, Moradabad
Mandi Samiti Tax	Mandi Tax	162.89	1998-99, 2003-04 to 2005-06	District Court, Amroha
Uttar Pradesh Milk Act	Milk Cess on purchase of Milk	69.26	1994-96	High Court, Allahabad

- (viii) According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

of clause 3(x)(a) of the Order are not applicable to the Company.

- (ix) a. The Company has not defaulted in repayment of loan and in the payment of interest thereon during the year.
- b. According to information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- c. According to information and explanations given to us, term loans taken during the year, were applied for the purpose for which the loans were obtained.
- d. According to information and explanations given by the management, no funds raised on short term basis have been utilized for long term purposes.
- e. The Company has no subsidiaries, joint ventures or associate. Therefore, the provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

- (x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions

- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b. According to the information and explanation given to us and to the best of our knowledge, no report under subsection (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- c. As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.



- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) As per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them, hence provision of section 192 of the Act are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given to us, there is 2 (two) CIC as part of the Group.
- (xvii) The Company has incurred cash losses of ₹1453.61 Lakhs in current year however no cash loss has been incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the Act. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.
- (xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AJHYUF6238

Date: May 20, 2022  
Place: Noida (Delhi – NCR)



## **Annexure B**

### **To Independent Auditor's Report of even date to the members of Umang Dairies Limited on the financial statements for the year ended March 31, 2022 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to financial statements of Umang Dairies Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 the 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India 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, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility



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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 however needs to be further strengthened.

Date: May 20, 2022  
Place: Noida (Delhi – NCR)

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 22088926AJHYUF6238

# FINANCIAL SECTION





## Balance Sheet as at 31st March, 2022

(₹ Lakhs)

S. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>A</b>	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Property, plant and equipment	2	7,682.74	7,853.78
	(b) Capital work-in-progress	2A	2.88	1.18
	(c) Right of use assets	3	221.86	248.80
	(d) Other intangible assets	4	3.66	11.03
	(e) Financial assets			
	(i) Other financial assets	5	61.49	62.55
	(f) Other non-current assets	6	24.30	56.16
	<b>Sub Total</b>		<b>7,996.93</b>	<b>8,233.50</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	7	5,273.05	6,361.36
	(b) Financial assets			
	(i) Trade receivables	8	1,094.63	1,500.76
	(ii) Cash and cash equivalents	9	113.79	47.96
	(iii) Other bank balances other than (ii) above	10	46.41	48.31
	(iv) Other financial assets	11	8.94	19.38
	(c) Current tax assets (Net)		99.71	120.52
	(d) Other current assets	12	315.20	344.78
	<b>Sub Total</b>		<b>6,951.73</b>	<b>8,443.07</b>
	<b>TOTAL ASSETS</b>		<b>14,948.66</b>	<b>16,676.57</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>EQUITY</b>			
	(a) Equity share capital	13	1,100.16	1,100.16
	(b) Other equity		3,565.61	5,087.82
	<b>Sub Total</b>		<b>4,665.77</b>	<b>6,187.98</b>
(2)	<b>LIABILITIES</b>			
(i)	<b>Non-current Liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	14	2,011.67	465.76
	(ii) Lease liabilities		228.54	249.85
	(iii) Other financial liabilities	15	11.00	11.00
	(b) Provisions	16	295.64	275.70
	(c) Deferred tax liabilities (Net)	17	348.37	886.51
	(d) Other non-current liabilities	18	969.67	966.87
	<b>Sub Total</b>		<b>3,864.89</b>	<b>2,855.69</b>
(ii)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	3,323.03	3,122.24
	(ii) Lease liabilities		21.31	19.34
	(iii) Trade payables			
	Total outstanding dues of micro and small enterprises		29.45	-
	Total outstanding dues of creditors other than micro and small enterprises	20	2,032.37	2,444.54
	(iv) Other financial liabilities	21	595.76	964.11
	(b) Other current liabilities	22	405.63	1,068.56
	(c) Provisions	23	10.45	14.11
	<b>Sub Total</b>		<b>6,418.00</b>	<b>7,632.90</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,948.66</b>	<b>16,676.57</b>

Significant accounting policies and other notes on financial statements  
The accompanying notes are an integral part of the financial statements.

1-46

For and on behalf of the Board of Directors

As per our report of even date attached.

For **Singhi & Co.**

Chartered Accountants

Firm Reg No. 302049E

**Bimal Kumar Sipani**

Partner

M.No. 088926

Place: Noida (Delhi-NCR)

Date: May 20, 2022

**Ram Chandra Periwal**  
(Director)

**Amar Singh Mehta**  
(Director)

**Pankaj Kamra**  
(Company Secretary)

**Sandeep Bhalla**  
(Manager)

**Puneet Garg**  
(Chief Financial Officer)

## Statement of Profit and Loss for the period ended 31st March, 2022

(₹ Lakhs except EPS)

S. No.	Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I.	Revenue from operations	24	20,400.72	24,792.80
II.	Other income	25	407.41	102.34
III.	<b>Total Income (I+II)</b>		<b>20,808.13</b>	<b>24,895.14</b>
IV.	<b>Expenses</b>			
	Cost of materials consumed	26	12,911.52	15,316.96
	Purchase of stock in trade		136.71	91.98
	Change in inventories of finished goods, work-in-progress and stock in trade	27	999.28	437.65
	Employee benefits expense	28	2,411.04	2,157.92
	Finance costs	29	431.04	374.40
	Depreciation and amortization expense	30	515.67	478.36
	Other expenses	31	5,372.15	5,428.52
	<b>Total Expenses (IV)</b>		<b>22,777.41</b>	<b>24,285.79</b>
V.	<b>Profit before tax (III-IV)</b>		<b>(1,969.28)</b>	<b>609.35</b>
VI.	<b>Tax Expense</b>			
	(1a) Current tax		-	152.56
	(1b) Tax adjustments for earlier years		0.04	25.86
	(2) Deferred tax charge / (credit)	17	(543.42)	20.92
VII.	<b>Profit for the year (V-VI)</b>		<b>(1,425.90)</b>	<b>410.01</b>
VIII.	<b>Other Comprehensive Income</b>			
(A)	<b>Items that will not be reclassified to profit or loss</b>			
	Re-measurement gain / (loss) on defined benefit plans		18.99	(17.28)
	Deferred tax on above		(5.28)	4.81
(B)	<b>Items that will be reclassified to profit or loss</b>		-	-
	<b>Other Comprehensive Income</b>		<b>13.71</b>	<b>(12.47)</b>
IX.	<b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>(1,412.19)</b>	<b>397.54</b>
X.	<b>Earnings per equity share of ₹ 5 each</b>			
	Basic and Diluted	32	(6.48)	1.86

Significant accounting policies and other notes on financial statements  
The accompanying notes are an integral part of the financial statements.

1-46

For and on behalf of the Board of Directors

As per our report of even date attached.

For **Singhi & Co.**  
Chartered Accountants  
Firm Reg No. 302049E

**Bimal Kumar Sipani**

Partner  
M.No. 088926  
Place: Noida (Delhi-NCR)  
Date: May 20, 2022

**Pankaj Kamra**  
(Company Secretary)

**Ram Chandra Periwal**  
(Director)

**Amar Singh Mehta**  
(Director)

**Sandeep Bhalla**  
(Manager)

**Puneet Garg**  
(Chief Financial Officer)



Statement of Cash Flows for the period ended 31st March, 2022

(₹ Lakhs)

S. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A.	<b>Cash Flow from Operating Activities</b>		
	Profit /(Loss) before tax	(1,969.28)	609.35
	Adjustments for :		
	Depreciation and amortization expense	515.67	478.36
	Interest income	(12.75)	(7.56)
	Provision for earlier years no longer required written back (Net)	(291.08)	(19.48)
	Finance costs	431.04	374.40
	Net (profit)/ loss on sale of property, plant and equipment	1.17	(0.79)
	<b>Operating Profit / (Loss) before working capital changes</b>	<b>(1,325.23)</b>	<b>1,434.28</b>
	(Increase)/ Decrease in Inventories	1,088.31	261.19
	(Increase) / Decrease in Trade and Other Receivables	443.30	(787.70)
	Increase/ (Decrease) in Trade and Other Payables	(1,123.24)	445.59
	<b>Cash generated / (used) in Operations</b>	<b>(916.86)</b>	<b>1,353.36</b>
	Direct tax paid (net of refund)	20.77	(133.22)
	<b>Net cash inflow / (outflow) from operating activities</b>	<b>(896.09)</b>	<b>1,220.14</b>
B.	<b>Cash Flow from Investing Activities</b>		
	Purchase of property, plant and equipment	(246.09)	(505.05)
	Proceeds from sale of property, plant and equipment	-	25.46
	Net increase in fixed deposits	(3.37)	(0.02)
	Interest received	16.72	-
	<b>Net cash inflow / (outflow) from investing activities</b>	<b>(232.74)</b>	<b>(479.61)</b>
C.	<b>Cash Flow from Financing Activities</b>		
	Dividend paid	(110.02)	(110.02)
	Proceeds from long term borrowing	660.00	-
	Repayments of long term borrowing	(194.44)	(239.66)
	Proceeds from inter corporate deposit	1,400.00	-
	Repayment of inter corporate deposit	(200.00)	-
	Net proceeds/(repayment) of short term borrowings	81.14	(445.65)
	Payment of lease liabilities	(19.34)	(17.56)
	Finance costs paid	(422.68)	(300.13)
	<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,194.66</b>	<b>(1,113.02)</b>
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	65.83	(372.49)
	<b>Cash and Cash equivalents at the beginning of the year</b>	<b>47.96</b>	<b>420.45</b>
	<b>Cash and Cash equivalents at the end of the year (Refer Note 9)</b>	<b>113.79</b>	<b>47.96</b>

Note :

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows"
- As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have any material impact on the Statement of Cash Flows therefore reconciliation has not been given.

For and on behalf of the Board of Directors

As per our report of even date attached.

For **Singhi & Co.**  
Chartered Accountants  
Firm Reg No. 302049E

**Ram Chandra Periwal**  
(Director)

**Amar Singh Mehta**  
(Director)

**Bimal Kumar Sipani**  
Partner  
M.No. 088926  
Place: Noida (Delhi-NCR)  
Date: May 20, 2022

**Pankaj Kamra**  
(Company Secretary)

**Sandeep Bhalla**  
(Manager)

**Puneet Garg**  
(Chief Financial Officer)



## Statement of Change in Equity for the year ended 31st March, 2022

### A Share Capital

(₹ Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Fully paid up Equity Shares of ₹ 5 each</b>				
Balance at the beginning of the year	2,20,03,200	1,100.16	2,20,03,200	1,100.16
Changes in accounting policy or prior period errors	-	-	-	-
<b>Restated balance at the beginning of the year</b>	<b>2,20,03,200</b>	<b>1,100.16</b>	<b>2,20,03,200</b>	<b>1,100.16</b>
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>2,20,03,200</b>	<b>1,100.16</b>	<b>2,20,03,200</b>	<b>1,100.16</b>

### B Other Equity

(₹ Lakhs)

Particulars	Capital Redemption Reserve	Retained Earnings			Total Other Equity
		General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>As at 1st April, 2020</b>	<b>359.00</b>	<b>650.00</b>	<b>3,772.86</b>	<b>18.43</b>	<b>4,800.29</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at 1st April, 2020</b>	<b>359.00</b>	<b>650.00</b>	<b>3,772.86</b>	<b>18.43</b>	<b>4,800.29</b>
Profit for the year	-	-	410.01	-	410.01
Other comprehensive income	-	-	-	(12.47)	(12.47)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>410.01</b>	<b>(12.47)</b>	<b>397.54</b>
Dividend paid	-	-	(110.02)	-	(110.02)
<b>As at 31st March, 2021</b>	<b>359.00</b>	<b>650.00</b>	<b>4,072.86</b>	<b>5.96</b>	<b>5,087.82</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at 31st March, 2021</b>	<b>359.00</b>	<b>650.00</b>	<b>4,072.86</b>	<b>5.96</b>	<b>5,087.82</b>
Transfer to retained earnings	-	-	5.96	(5.96)	-
Profit / (Loss) for the year	-	-	(1,425.90)	-	(1,425.90)
Other comprehensive income	-	-	13.71	-	13.71
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(1,412.19)</b>	<b>-</b>	<b>(1,412.19)</b>
Dividend paid	-	-	(110.02)	-	(110.02)
<b>As at 31st March, 2022</b>	<b>359.00</b>	<b>650.00</b>	<b>2,556.61</b>	<b>-</b>	<b>3,565.61</b>

**Capital Redemption Reserve:** It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**General Reserve :** The Company appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

**Retained Earnings :** Retained earnings includes fair value gain on property, plant & equipment and other adjustments on adoption of Ind-AS as on April 1, 2016 and residual profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

For and on behalf of the Board of Directors

As per our report of even date attached.

For **Singhi & Co.**

Chartered Accountants

Firm Reg No. 302049E

**Bimal Kumar Sipani**

Partner

M.No. 088926

Place: Noida (Delhi-NCR)

Date: May 20, 2022

**Ram Chandra Periwal**  
(Director)

**Amar Singh Mehta**  
(Director)

**Pankaj Kamra**  
(Company Secretary)

**Sandeep Bhalla**  
(Manager)

**Puneet Garg**  
(Chief Financial Officer)

## Notes to Financial Statements for the year ended 31st March, 2022

### 1 Significant Accounting Policies

#### I. Corporate Information:

"Umang Dairies Limited ("the Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the Company is situated at Gajraula, Hasanpur Road, Gajraula-244235, District- Amroha, Uttar Pradesh, India.

The Company is engaged in the business of procurement of cow milk mainly in the state of Uttar Pradesh at Gajraula, undertakes processing of milk and manufacture of various value added products namely cheese, butter, ghee, fresh cream, milk powder, flavored milk, lassi, curd etc. "

These financial statements were reviewed by the Audit Committee and approved by Board of Directors of the Company in their meeting held on 20th May, 2022.

#### II. Basis of preparation and measurement of financial statements:

##### (i) Statement of Compliance

"The Financial Statements has been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Companies Act, 2013 ("the Act").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing indian accounting standard requires a change in the accounting policy hitherto in use."

##### (ii) Basis of preparation

"The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Act,

as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. "

##### (iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

##### (iv) Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in respective note.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

##### (v) Classification of Assets and Liabilities as Current and Non Current

"The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### An asset is classified 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 the other assets are classified as non-current.

**A liability is classified as 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 are classified as non-current assets and non-current liabilities respectively.

### III. Significant Accounting Policies

#### (i) Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

#### Sale of goods and Conversion income

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

#### Interest Income

Interest income is recognized on time proportion basis using the effective interest method.

#### (ii) Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and Work in Progress is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials, traded goods and stores & spare parts are computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

#### (iii) Property, Plant and Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP, and use that carrying value as fair value of the property, plant and equipment.

Property, Plant and Equipment acquired after the transition date are stated at cost net of tax/duty credit availed. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Capital work-in-progress includes cost of PPE under installation/under development as at balance sheet date. Advances paid towards the acquisition of PPE

outstanding at each balance sheet date is classified as capital advance under other non-current assets.

## Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

## Depreciation

Depreciation on fixed assets is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 or re-assessed by the Company on technically assessed, as given below:

General Plant and Machinery; 15 - 18 Years  
(Continuous Process Plant)

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. 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.

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

## (iv) Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

## (v) Leases

### The Company as a lessee

"The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at

inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. "

"The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

**(vi) Impairment of non-financial assets**

"At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss."

**(vii) 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**

**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.

**Classifications**

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Business model assessment**

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

**(a) Financial Assets at Amortised Cost**

"A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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 the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss."

**(b) Financial Assets at Fair value through Other Comprehensive Income**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

## (c) Financial Assets at fair value through profit and loss (FVTPL)

"Any Financial Assets and debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss."

### Equity Instruments

"All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL."

### Derecognition

"A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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 substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the

risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss."

### Impairment of financial assets

"The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables."

### Financial Liabilities

#### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.



### Subsequent Measurement

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

#### a) Financial Liabilities at Fair Value through Profit or Loss

"Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such 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 recognised in the statement of profit or loss."

#### b) Financial Liabilities measured at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### De-recognition of Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

### Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

#### (viii) Foreign currency transactions and translation

"Transactions in foreign currencies are recorded by the Company at their respective functional currency considering exchange rates prevailing on the date of transactions qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss except exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined."

#### (ix) Employee Benefit

##### (a) Short term employee benefits :

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

**(b) Defined contribution plans :**

The Company has Provident Fund as defined contribution plan. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

**(c) Defined benefit plans :**

"For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense."

**(d) Other Long-term employee Benefits:**

The company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

**(x) Earnings per Share (EPS)**

Basic Earnings per equity 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 year.

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

**(xi) Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current Tax**

"Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

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

**Deferred tax**

"Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination."

#### **Minimum Alternate Tax**

Credit of Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **(xii) Provisions and Contingent Liabilities /Assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that it is required to

settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

#### **(xiii) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Business activity of the company falls within one business segment viz "Dairy Products".

#### **(xiv) Borrowing Costs**

"Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred."

#### **(xv) Fair Value Measurements**

"The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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

- In the principal market for the asset or liability.
- Or
- 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.

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 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."

## a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

## b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable

data, primarily cash flow-based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

## c. Derivatives

"The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss."

## (xvi) Significant accounting Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

## a. Judgements

"Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding."

## b. Assumptions and estimation uncertainties

"Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of fixed assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows
- In determining the fair value of the mine restoration obligation the Company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on expected rate of return."

**(xvii) Offsetting Financial Instruments**

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

**(xviii) Cash and cash equivalents**

"Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities."

**(xix) Standards issued but not yet effective**

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards)

Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- i. **Ind AS 103 – Reference to Conceptual Framework**
  - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- ii. **Ind AS 16 – Proceeds before intended use** - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- iii. **Ind AS 37 – Onerous Contracts** - Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements."

## Notes to Financial Statements for the year ended 31st March, 2022

### 2. Property, Plant and Equipment

(₹ Lakhs)

	Freehold Land	Buildings	Roads	Plant and Equipment	Electrical Installation	Pipeline & Fittings	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Cost as at 31st March, 2020</b>	<b>1,640.18</b>	<b>1,827.12</b>	<b>65.69</b>	<b>5,309.90</b>	<b>171.37</b>	<b>2.03</b>	<b>24.79</b>	<b>119.72</b>	<b>107.44</b>	<b>9,268.23</b>
Addition during the year	-	12.62	-	412.88	-	-	2.21	19.22	37.61	484.54
Sold/discarded during the year	-	-	-	-	-	-	-	35.75	0.55	36.30
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Cost as at 31st March, 2021</b>	<b>1,640.18</b>	<b>1,839.73</b>	<b>65.69</b>	<b>5,722.78</b>	<b>171.37</b>	<b>2.03</b>	<b>26.99</b>	<b>103.19</b>	<b>144.50</b>	<b>9,716.46</b>
Addition during the year	-	2.97	-	281.70	-	-	1.26	5.61	19.96	311.49
Sold/discarded during the year	-	-	-	15.86	-	-	-	2.25	-	18.11
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Cost as at 31st March, 2022</b>	<b>1,640.18</b>	<b>1,842.70</b>	<b>65.69</b>	<b>5,988.62</b>	<b>171.37</b>	<b>2.03</b>	<b>28.25</b>	<b>106.55</b>	<b>164.46</b>	<b>10,009.85</b>

	Freehold Land	Buildings	Roads	Plant and Equipment	Electrical Installation	Pipeline & Fittings	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Accumulated Depreciation</b>										
<b>Accumulated depreciation as at 31st March, 2020</b>	-	285.12	28.88	940.97	62.51	0.80	6.31	42.31	64.92	1,431.82
Depreciation for the year	-	83.23	10.74	296.72	19.35	0.20	2.40	12.29	17.58	442.49
Disposals	-	-	-	-	-	-	-	11.19	0.44	11.63
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31st March, 2021</b>	-	368.35	39.62	1,237.69	81.85	0.99	8.71	43.41	82.05	1,862.68
Depreciation for the year	-	82.06	9.84	331.76	18.47	0.20	2.48	13.21	23.35	481.37
Disposals	-	-	-	14.70	-	-	-	2.24	-	16.94
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31st March, 2022</b>	-	450.41	49.46	1,554.75	100.33	1.19	11.19	54.38	105.40	2,327.10
<b>Net carrying value as on 31st March, 2021</b>	<b>1,640.18</b>	<b>1,471.38</b>	<b>26.07</b>	<b>4,485.09</b>	<b>89.52</b>	<b>1.04</b>	<b>18.28</b>	<b>59.78</b>	<b>62.44</b>	<b>7,853.78</b>
<b>Net carrying value as on 31st March, 2022</b>	<b>1,640.18</b>	<b>1,392.29</b>	<b>16.23</b>	<b>4,433.87</b>	<b>71.04</b>	<b>0.84</b>	<b>17.06</b>	<b>52.17</b>	<b>59.06</b>	<b>7,682.74</b>

#### Notes:

- Assets pledged and hypothecated against borrowings - Refer Note 14 and 19.
- There were no revaluation carried out by the company during the year.
- All title deeds of immovable properties are held in the name of the Company.



## Notes to Financial Statements for the year ended 31st March, 2022

### 2A. Capital work-in-progress

(₹ Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
<b>Opening Carrying Amount</b>	<b>1.18</b>	<b>73.14</b>
Addition:	313.19	412.58
Assets Capitalized	311.49	484.54
<b>Closing Carrying Amount</b>	<b>2.88</b>	<b>1.18</b>

#### (i) CWIP Ageing Schedule

As at 31st March, 2022	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Projects in Progress	2.88	-	-	-	2.88
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2021	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Projects in Progress	-	-	1.18	-	1.18
Projects temporarily suspended	-	-	-	-	-

#### (ii) The Company does not have any project which is overdue or has exceeded its cost compared to its original plan.

### 3. Right to Use Assets

(₹ Lakhs)

	Leasehold Land	Buildings	Total
<b>Cost as at 31st March, 2020</b>	<b>54.12</b>	<b>248.56</b>	<b>302.67</b>
Addition during the year	-	-	-
Sold/discarded during the year	-	-	-
<b>Cost as at 31st March, 2021</b>	<b>54.12</b>	<b>248.56</b>	<b>302.67</b>
Addition during the year	-	-	-
Sold/discarded during the year	-	-	-
<b>Cost as at 31st March, 2022</b>	<b>54.12</b>	<b>248.56</b>	<b>302.67</b>

**Notes to Financial Statements for the year ended 31st March, 2022**

<b>Accumulated depreciation</b>	<b>Leasehold Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Accumulated depreciation as at 31st March, 2020</b>	<b>2.08</b>	<b>24.86</b>	<b>26.94</b>
Depreciation for the year	2.08	24.86	26.94
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated depreciation as at 31st March, 2021</b>	<b>4.16</b>	<b>49.71</b>	<b>53.87</b>
Depreciation for the year	2.08	24.86	26.94
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated depreciation as at 31st March, 2022</b>	<b>6.24</b>	<b>74.57</b>	<b>80.81</b>

<b>Net carrying value as on 31th March, 2021</b>	<b>49.95</b>	<b>198.85</b>	<b>248.80</b>
<b>Net carrying value as on 31th March, 2022</b>	<b>47.87</b>	<b>173.99</b>	<b>221.86</b>

**Notes:**

- (i) Assets pledged and hypothecated against borrowings - Refer Note 14 and 19.
- (ii) Also refer Note 40
- (iii) There were no revaluation carried out by the company during the year.

**4. Intangible Assets**

(₹ Lakhs)

	<b>Computer Software</b>	<b>Total</b>
<b>Cost as at 31st March, 2020</b>	<b>41.94</b>	<b>41.94</b>
Addition during the year	-	-
Sold/discarded during the year	-	-
Adjustment during the year	-	-
<b>Cost as at 31st March, 2021</b>	<b>41.94</b>	<b>41.94</b>
Addition during the year	-	-
Sold/discarded during the year	-	-
<b>Cost as at 31st March, 2022</b>	<b>41.94</b>	<b>41.94</b>

<b>Accumulated amortisation as at 31st March, 2020</b>	<b>21.98</b>	<b>21.98</b>
Amortisation during the year	8.94	8.94
Disposals	-	-
Adjustment during the year	-	-
<b>Accumulated depreciation as at 31st March, 2021</b>	<b>30.91</b>	<b>30.91</b>
Amortisation during the year	7.36	7.36
Disposals	-	-
<b>Accumulated depreciation as at 31st March, 2022</b>	<b>38.28</b>	<b>38.28</b>
<b>Net carrying value as on 31th March, 2021</b>	<b>11.03</b>	<b>11.03</b>
<b>Net carrying value as on 31th March, 2022</b>	<b>3.66</b>	<b>3.66</b>

**Notes :**

- (i) Assets pledged and hypothecated against borrowings - Refer Note 14 and 19.
- (ii) There were no revaluation carried out by the company during the year.

## Notes to Financial Statements for the year ended 31st March, 2022

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>5 Other Non-Current Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Security Deposits	61.49	62.55
<b>Total</b>	<b>61.49</b>	<b>62.55</b>
<b>6 Other Non Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Capital Advances	22.97	54.77
Others	1.33	1.39
<b>Total</b>	<b>24.30</b>	<b>56.16</b>
<b>7 Inventories</b>		
<b>(Valued at Cost or Net Realizable Value, whichever is lower)</b>		
Raw Materials	64.53	87.24
Work-in-progress	37.11	40.51
Finished goods	4,265.38	5,264.55
Stock in trade	3.29	-
Stores and spares, packing materials and others	902.74	969.06
<b>Total</b>	<b>5,273.05</b>	<b>6,361.36</b>
7.1 Inventories are hypothecated to secure borrowings. Refer to Note 14 & 19.		
<b>8 Trade Receivables</b>		
<b>Unsecured</b>		
Considered Good	1,094.63	1,500.76
Have significant increase in credit risk	-	-
Credit Impaired	-	22.49
	<b>1,094.63</b>	<b>1,523.25</b>
Less:- Allowance for Credit Losses	-	(22.49)
<b>Total</b>	<b>1,094.63</b>	<b>1,500.76</b>

8.1 Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

8.2 No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

8.3 Trade receivables are hypothecated to secure borrowings. Refer to Note 14 & 19.

**Notes to Financial Statements for the year ended 31st March, 2022**  
**8.4 Ageing Schedule for trade receivables**  
**As at 31st March, 2022**

(₹ Lakhs)

Particulars	Unbilled Revenue	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	-	-	1,070.99	6.15	14.13	3.36	-	1,094.63
Undisputed – considered doubtful	-	-	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-	-	-
<b>Total receivable</b>	-	-	<b>1,070.99</b>	<b>6.15</b>	<b>14.13</b>	<b>3.36</b>	-	<b>1,094.63</b>

**As at 31st March, 2021**

(₹ Lakhs)

Particulars	Unbilled Revenue	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	-	-	1,490.16	7.24	3.36	-	-	1,500.76
Undisputed – considered doubtful	-	-	-	-	-	-	22.49	22.49
Disputed - considered good	-	-	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-	-	-
<b>Total receivable</b>	-	-	<b>1,490.16</b>	<b>7.24</b>	<b>3.36</b>	-	<b>22.49</b>	<b>1,523.25</b>

Notes to Financial Statements for the year ended 31st March, 2022

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>9 Cash &amp; Cash Equivalents</b>		
Balance with bank in Current accounts	111.10	45.17
Cash in hand	2.69	2.79
<b>Total</b>	<b>113.79</b>	<b>47.96</b>
<b>10 Other Bank Balances</b>		
<b>Earmarked balances</b>		
Unclaimed Dividend Accounts	37.42	42.69
Fixed deposits with maturity more than 3 months but less than 12 months (pledged with Sales-tax department)	8.99	5.62
<b>Total</b>	<b>46.41</b>	<b>48.31</b>
<b>11 Other Current Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Interest Receivable	8.94	12.91
Incentive receivable from Government	-	6.47
<b>Total</b>	<b>8.94</b>	<b>19.38</b>
<b>12 Other Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Advance to Supplier	43.00	148.85
Prepaid expenses	45.15	27.24
Indirect-tax recoverable	67.67	69.27
GST input credit	132.58	98.76
Contract Assets-Conversion income accrued but not billed	26.14	-
Others	0.66	0.66
<b>Total</b>	<b>315.20</b>	<b>344.78</b>

**Notes to Financial Statements for the year ended 31st March, 2022**

(₹ Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>13. Equity Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 5 each	1,500.00	1,500.00
6,00,000 (Previous Year 6,00,000) Redeemable Preference shares of ₹ 100 each	600.00	600.00
<b>Total</b>	<b>2,100.00</b>	<b>2,100.00</b>
<b>Issued, Subscribed and Paid-up</b>		
2,20,03,200 (Previous Year 2,20,03,200) Equity Shares of ₹ 5 each	1,100.16	1,100.16
<b>Total</b>	<b>1,100.16</b>	<b>1,100.16</b>

**Notes :**
**(a) Reconciliation of the number of shares outstanding**

Particulars	As at	As at
	31st March, 2022	31st March, 2021
	<b>Equity Shares Nos</b>	<b>Equity Shares Nos</b>
Shares outstanding at the beginning of the year	2,20,03,200	2,20,03,200
Shares Issued during the year	-	-
Shares bought back/redeemed during the year	-	-
Shares outstanding at the end of the year	2,20,03,200	2,20,03,200

**(b) Terms / rights and preferences attached to equity shares:**

The Company has only one class of Equity Shares having face value of ₹ 5/- each and each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

**(c) Details of shareholder holding more than 5% shares:**

Name of Shareholder	As at		As at	
	31st March, 2022		31st March, 2021	
	<b>Number of shares</b>	<b>Percentage</b>	<b>Number of shares</b>	<b>Percentage</b>
Equity Shareholders				
Bengal & Assam Company Ltd. (Holding Company)	1,21,68,430	55.30%	1,21,68,430	55.30%
Sidhivinayak Trading & Investment Ltd. (Formerly Known Juggilal Kamplapat Udyog Ltd.)	38,50,000	17.50%	38,50,000	17.50%

(d) In preceeding five (5) years, there was no issue of bonus, buy back, cancellation and issue of shares for other than cash consideration.



## Notes to Financial Statements for the year ended 31st March, 2022

### (e) Details of promoter's shareholder holding:

Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the
Bengal & Assam Company Limited	1,21,68,430	Nil	1,21,68,430	55.30%	Nil
Sidhivinayak Trading and Investment Limited	38,50,000	Nil	38,50,000	17.50%	Nil
Accurate Finman Services Limited	3,97,804	Nil	3,97,804	1.81%	Nil

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>14 Non Current Borrowings</b>		
<b>Secured Loans</b>		
Term Loans - Banks	1,120.00	640.00
Vehicle Loan	-	14.44
<b>Unsecured Loans</b>		
Inter Corporate deposits from a company	1,200.00	-
<b>Total</b>	<b>2,320.00</b>	<b>654.44</b>
<b>Less : Current maturities of long term borrowings</b>		
Term Loans - Banks	308.33	180.00
Vehicle Loan	-	8.68
<b>Total</b>	<b>308.33</b>	<b>188.68</b>
<b>Total</b>	<b>2,011.67</b>	<b>465.76</b>

#### Secured Loans:

- Term loan of ₹ 260.00 lakhs (Previous year ₹ 340.00 lakhs) from Axis Bank Limited is secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula, is repayable in 20 quarterly instalments of ₹ 20.00 lakhs each commencing from December, 2019.
- Term loan of ₹ 200.00 lakhs (Previous year ₹ 300.00 lakhs) from Axis Bank Limited is secured by a first pari passu charge over the entire moveable properties of the Company both present and future and equitable mortgage over the immovable properties in the name of the Company situated at Gajraula, is repayable in equal quarterly instalments of ₹ 25 lakhs commencing from December, 2018.
- Vehicle loan of ₹ Nil (Previous year ₹ 9.24 lakhs) from ICICI Bank Limited is secured by way of hypothecation of vehicle purchased thereunder. Loan was repaid during the year.
- Vehicle loan of ₹ Nil (Previous year ₹ 5.20 lakhs) from Kotak Mahindra Bank Limited was secured by way of hypothecation of vehicle purchased thereunder. Loan was repaid during the year.
- Working Capital Term loan of ₹ 660.00 lakhs (Previous year Nil) from Axis Bank Limited is secured by a second charge on entire moveable properties, current assets and immovable properties in the name of the Company situated at Gajraula, is repayable in equal monthly instalments of ₹ 18.33 lakhs commencing from September, 2022.

#### Unsecured Loans:

- Inter corporate Deposit of ₹ 1200.00 lakhs (Previous year Nil), is repayable along with interest at the end of tenure of two year beginning from February 2022.

**Notes to Financial Statements for the year ended 31st March, 2022**

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>15 Other Financial Liabilities - Non Current</b>		
Trade and other deposits	11.00	11.00
<b>Total</b>	<b>11.00</b>	<b>11.00</b>
<b>16 Provisions - Non Current</b>		
Provision for Employee Benefits (Refer note no. 34)	295.64	275.70
<b>Total</b>	<b>295.64</b>	<b>275.70</b>
<b>17 Deferred Tax Liabilities</b>		
<u><b>Deferred Tax Liabilities</b></u>		
Property, plant and equipments, Intangible assets and right of use assets	1,160.43	1,153.44
<u><b>Deferred Tax Assets</b></u>		
Provision for employees benefit	99.47	95.22
Other timing differences	-	6.26
Business loss and unabsorbed depreciation	547.14	-
	<b>646.61</b>	<b>101.48</b>
<b>Total Deferred Tax Liabilities</b>	<b>513.82</b>	<b>1,051.96</b>
MAT Credit opening Balance	165.45	215.02
MAT Credit Utilization	-	(49.57)
MAT Credit Closing Balance	<b>165.45</b>	<b>165.45</b>
<b>Net Deferred Tax Liabilities</b>	<b>348.37</b>	<b>886.51</b>
The Company has recognised deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Company has concluded that the deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using the estimated future taxable income based on the business plans and budgets. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Company expects to recover the same in due course.		
<b>Reconciliation of effective tax</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
<b>Profit / (Loss) before tax</b>	(1,969.28)	609.35
Enacted tax rates for the Company under Income tax	27.82%	27.82%
Income tax payable	(547.85)	169.52
Other non deductible expenses	3.78	2.66
Tax adjustments for earlier years	0.04	25.86
Others	0.65	1.30
<b>Reported Tax Expenses</b>	<b>(543.38)</b>	<b>199.34</b>

## Notes to Financial Statements for the year ended 31st March, 2022

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>18 Other Non Current Liabilities</b>		
Security deposit from a customer	963.93	963.93
Security deposits from others	5.74	2.94
<b>Total</b>	<b>969.67</b>	<b>966.87</b>
<b>19 Current Borrowings</b>		
Secured Loans		
Current maturities of long term borrowings	308.33	188.68
Working capital borrowing from a bank	2,974.70	2,893.56
Dues to a body corporate @	40.00	40.00
<b>Total</b>	<b>3,323.03</b>	<b>3,122.24</b>
<p>@ Loan of ₹ 40 lakhs (Previous year ₹ 40 lakhs) from a body corporate is secured by a first pari passu charge over the entire moveable properties of the Company was due in earlier years but not demanded by lender. Liability of above have been recognized to the extent and in terms of BIFR order.</p>		
<b>Notes :</b>		
(i) Working capital borrowing from Axis Bank Limited is secured by first pari passu charge over the entire moveable properties of the Company both present and future and the equitable mortgage over the immovable properties in the name of the Company situated at Gajraula.		
(ii) Value of stock, trade receivable and other receivables reported in the Financial Follow-up Reports filed on each quarter end by the Company with bankers are in agreement with the books of accounts except for the quarter ended March 31, 2022 which is yet to be filed.		
<b>20 Trade Payables</b>		
For Goods and Services		
a) total outstanding dues of micro and small enterprises	29.45	-
b) total outstanding dues of creditors other than micro and small enterprises	2,032.37	2,444.54
<b>Total</b>	<b>2,061.82</b>	<b>2,444.54</b>

Based on the information available as identified by the Company, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a. Principal amount and Interest due thereon remaining unpaid to any supplier as on	29.45	-
b. Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-

**Notes to Financial Statements for the year ended 31st March, 2022**

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
c the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d. the amount of interest accrued and remaining unpaid during the accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

**Trade Payable ageing**
**As at 31st March, 2022**

Particulars	Not due	Outstanding for following periods from invoice date					Total
		Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Sub total	
(i) MSME	29.45	-	-	-	-	-	29.45
(ii) Others	312.28	1,635.56	13.21	30.84	40.47	1,720.09	2,032.37
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total Payable</b>	<b>341.73</b>	<b>1,635.56</b>	<b>13.21</b>	<b>30.84</b>	<b>40.47</b>	<b>1,720.09</b>	<b>2,061.82</b>

**As at 31st March, 2021**

Particulars	Not due	Outstanding for following periods from invoice date					Total
		Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Sub total	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	689.20	1,629.72	57.48	32.45	35.69	1,755.34	2,444.54
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total Payable</b>	<b>689.20</b>	<b>1,629.72</b>	<b>57.48</b>	<b>32.45</b>	<b>35.69</b>	<b>1,755.34</b>	<b>2,444.54</b>

**21 Other Current Financial Liabilities**

Interest accrued on Inter corporate deposits	8.36	-
Unclaimed dividends #	37.42	42.69
Employee emoluments	67.85	138.04
Security deposits	82.09	88.01
Capital creditors	39.34	4.04
Other payables^	360.70	691.33
<b>Total</b>	<b>595.76</b>	<b>964.11</b>

## Notes to Financial Statements for the year ended 31st March, 2022

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
# As and when due, Investor Education & Protection Fund will be credited (if not claimed by shareholders within the specified time period)		
^ Other payables includes sales related liabilities etc.		
<b>22 Other Current Liabilities</b>		
Statutory Dues	115.73	41.27
Advance from Customers (Refer Note 36)	289.90	1,027.29
<b>Total</b>	<b>405.63</b>	<b>1,068.56</b>
<b>23 Short Term Provisions</b>		
Provision for Employee Benefits (Refer note no. 34)	10.45	14.11
<b>Total</b>	<b>10.45</b>	<b>14.11</b>
<b>24 Revenue from operations</b>		
<b>Sale of Products</b>	16,296.20	20,750.05
<b>Other Operating Revenues</b>		
Conversion Charges	4,104.52	4,042.75
<b>Total</b>	<b>20,400.72</b>	<b>24,792.80</b>
<b>24.1 Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:</b>		
<b>Contract price</b>		
(i) Sales of products	16,296.20	20,750.05
(ii) Conversion charges	4,104.52	4,042.75
<b>Adjustments:</b>		
Discount/rebate/ incentives	-	-
<b>Revenue recognised in statement of profit and loss</b>	<b>20,400.72</b>	<b>24,792.80</b>
<b>24.2 Significant changes in the contract assets and the contract liabilities balances during the year are as follows :</b>		
<b>a. Contract Assets</b>	26.14	-
<b>b. Movement of contract liability :</b>		
Opening balance	1,027.29	641.36
Less : Revenue recognized during the year from opening balance	1,027.29	641.36
Add : Advance received during the year not recognized as revenue	289.90	1,027.29
<b>Amounts included in contract liabilities at the end of the year</b>	<b>289.90</b>	<b>1,027.29</b>
<b>c. Contract liabilities include amount received from customers as per the terms of purchase/sales order to deliver goods. Once the goods are completed and control is transferred to customers the same is adjusted accordingly.</b>		
<b>24.3 The above revenues have been recognised at point of time.</b>		

**Notes to Financial Statements for the year ended 31st March, 2022**

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>25 Other Income</b>		
Interest Income	12.75	7.56
Net profit on sale of property, plant and equipment	-	0.79
Scrap sale	88.09	60.34
Provision for earlier years no longer required written back (net)	291.08	19.48
Others	15.49	14.17
<b>Total</b>	<b>407.41</b>	<b>102.34</b>
<b>26 Cost of Material Consumed</b>		
Raw material consumed	<b>11,936.74</b>	<b>14,240.16</b>
Packing material consumed	974.78	1,076.80
<b>Total Cost of Material Consumed</b>	<b>12,911.52</b>	<b>15,316.96</b>
<b>27 Change in inventories of finished goods, work-in-progress and stock in trade</b>		
<b>Opening Stock</b>		
Finished Goods	5,264.55	5,607.56
Work-in-Progress	40.51	135.15
	<b>5,305.06</b>	<b>5,742.71</b>
<b>Closing Stock</b>		
Finished Goods	4,265.38	5,264.55
Stock In Trade	3.29	-
Work-in-Progress	37.11	40.51
	<b>4,305.78</b>	<b>5,305.06</b>
<b>Net (Increase) / Decrease in inventories of finished goods, work-in-progress and stock in trade</b>	<b>999.28</b>	<b>437.65</b>
<b>28 Employee Benefit Expenses</b>		
Salaries, wages and bonus etc.	2,279.33	2,037.07
Contribution to provident and other funds	92.00	81.99
Staff welfare expenses	39.71	38.86
<b>Total</b>	<b>2,411.04</b>	<b>2,157.92</b>
<b>29 Finance Costs</b>		
Interest expenses	397.85	342.38
Interest on delayed payment of taxes	0.58	1.89
Interest on lease obligations	27.46	29.25
Other borrowing costs	5.15	0.88
<b>Total</b>	<b>431.04</b>	<b>374.40</b>



## Notes to Financial Statements for the year ended 31st March, 2022

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>30 Depreciation &amp; Amortisation Expense</b>		
Depreciation and amortisation	488.73	451.42
Depreciation of right of use assets	26.94	26.94
<b>Total</b>	<b>515.67</b>	<b>478.36</b>
<b>31 Other Expenses</b>		
Consumption of stores and spares	504.14	485.03
Power and fuel	2,399.06	2,208.22
Job on contract	481.89	413.78
Rent	71.91	87.42
Repairs to buildings	50.92	43.92
Repairs to machinery	109.23	100.46
Insurance	46.62	40.70
Rates and taxes	25.94	9.99
Freight and transportation	414.23	584.19
Advertisement and sales promotion	323.29	553.98
Corporate social responsibility (Refer Note 42)	12.42	14.30
Directors' fee	15.08	14.01
Directors' commission	-	7.25
Bad debts	22.49	
Less: Allowance for credit losses	<u>22.49</u>	-
Loss on discard of property, plant and equipments	1.17	-
Miscellaneous @	916.25	865.27
<b>Total</b>	<b>5,372.15</b>	<b>5,428.52</b>
@ Includes amount paid to auditors		
<b>i) Statutory Auditors:</b>		
a. Statutory audit fee	3.80	3.45
b. Limited review fee	1.00	0.90
c. Tax audit fee	0.55	0.50
d. Certifications fee	0.23	0.20
e. Reimbursement of expenses	0.89	0.86
<b>Total</b>	<b>6.46</b>	<b>5.91</b>
<b>ii) Cost Auditors:</b>		
a. Audit fee	0.50	0.46
<b>Total</b>	<b>0.50</b>	<b>0.46</b>

**Notes to Financial Statements for the year ended 31st March, 2022**

(₹ Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>32 Earning per share (EPS)</b>		
The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:		
Profit / (Loss) for the year	(1,425.90)	410.01
Number of Equity Shares beginning of the year (Nos.)	2,20,03,200	2,20,03,200
Shares issued during the year (Nos.)	-	-
Number of Equity Shares at the end of the year (Nos.)	2,20,03,200	2,20,03,200
Weighted average number of equity shares of ₹5/- each	2,20,03,200	2,20,03,200
<b>Basic and diluted Earning Per Share (in ₹)</b>	<b>(6.48)</b>	<b>1.86</b>

There have been no transactions involving Equity shares or Potential Equity shares between the reporting date and the date of approval of these financial statements that would have an impact on the outstanding weighted average number of equity shares as at the year end.

**33 Contingent Liabilities & Commitments (to the extent not provided for)**

Contingent Liabilities :

Claim against the company not acknowledged as debts.

a. Sales tax/ Mandi Fee /Milk cess liability in respect of matter in appeals *	340.63	340.63
b. Other matters #	92.58	92.58

\* Interest impact on above, if any, will be considered as and when arise.

No contingent liabilities has been disclosed where in the opinion of the management, probability of crystallisation of liability is remote.

The Company has reviewed all its pending litigations and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statement. The company does not expect the outcome of these proceedings to have a material adverse effect on its financial position.

# In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.

**Commitments: [as identified by the management]**

Contracts remaining to be executed on capital account (Net of Advances)	17.19	33.84
---	-------	-------

**34 Employee benefits**

A.

**Defined Contribution Plans**

**Provident Fund:** The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year, the Company has recognised ₹ 92.00 Lakhs (previous year ₹ 81.99 Lakhs) as contribution to Employee Provident Fund in the Statment of Profit and Loss

B. **Defined Benefit Plans - Gratuity**

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the Company. The most recent actuarial valuation for gratuity was carried out as at 31st March, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method. The gratuity liability of the Company is not funded.

## Notes to Financial Statements for the year ended 31st March, 2022

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

	(₹ Lakhs)	
	Current Year	Previous Year
<b>(i) Reconciliation of fair value of plan assets and defined benefit obligation:</b>		
Fair value of plan assets	-	-
Defined benefit obligation	183.38	171.46
<b>Net assets / (liability) recognised in the Balance Sheet at year end</b>	<b>(183.38)</b>	<b>(171.46)</b>
<b>(ii) Changes in the present value of the defined benefit obligation are, as follows:</b>		
Defined benefit obligation at beginning of the year	171.46	126.60
Current service cost	28.11	27.23
Interest expense	11.64	8.60
Benefits paid	(8.85)	(8.24)
Actuarial (gain)/ loss on obligations - OCI	(18.99)	17.28
<b>Defined benefit obligation at year end</b>	<b>183.38</b>	<b>171.46</b>
<b>(iii) Amount recognised in Statement of Profit and Loss:</b>		
Current service cost	28.11	27.23
Net interest expense	11.64	8.60
Remeasurement of Net Benefit Liability/ Asset	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>39.75</b>	<b>35.82</b>
<b>(iv) Amount recognised in Other Comprehensive Income:</b>		
Actuarial (gain)/ loss on obligations	(18.99)	17.28
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(18.99)</b>	<b>17.28</b>
<b>(v) The Company has no plan assets.</b>		
<b>(vi) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>		
Discount rate (in %)	7.18%	6.79%
Salary Escalation (in %)	7.00%	7.00%
Rate of return in plan assets (in %)	-	-
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Expected average remaining working lives of employees (in years)	22.31	22.74

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

## Notes to Financial Statements for the year ended 31st March, 2022

(vii) A quantitative sensitivity analysis for significant assumption are given as below :

(₹ Lakhs)				
		As at 31st March, 2022		As at 31st March, 2021
<b>Sensitivity Level</b>	<b>+ 0.5%</b>	<b>- 0.5%</b>	<b>0.50%</b>	<b>-0.50%</b>
Effect of change in discount rate	(10.01)	10.94	(9.64)	10.57
Effect of change in salary escalation	10.66	(9.86)	10.21	(9.59)

- a. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- b. Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- c. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) **Maturity profile of defined benefit obligation :**

(₹ Lakhs)		
	Current Year	Previous Year
Within next twelve months	4.43	7.71
Between one to five years	40.87	35.43
Beyond five years	138.08	128.31

(ix) **Description of Risk Exposures:**

Defined benefit plans expose the Company to actuarial risks such as: Interest rate risk, Salary risk and Demographic Risk.

- i. **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits obligation will tend to increase.
- ii. **Salary risk:** Higher than expected increase in salary will increase the defined benefit obligation.
- iii. **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

### 35 Segment Reporting

- (a) According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Dairy Products" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.
- (b) Two customers individually account for more than 10% of the revenue in the year ended 31st March, 2022 and 31st March, 2021.

## Notes to Financial Statements for the year ended 31st March, 2022

### 36 Related party disclosures

Names of related parties and description of relationship (to the extent identified by the Company)

#### A Relationship

##### i) Holding Company

**Bengal and Assam Company Ltd.**

##### ii) Fellow Subsidiaries

LVP Foods Pvt. Ltd. (LVP)

JK Tyre & Industries Ltd. (JKTIL)

JK Fenner (India) Ltd. (JKFL)

Panchmahal Properties Ltd.

JK Agri Genetics Ltd.

##### iii) Key Management Personnel:

Mr. Manish Bandlish	Executive Director and CEO (till 31.07.2020)
Mr. Ram Chandra Periwal	Non-Executive Director
Mr. Sharda Devi Singhania	Non-Executive Director
Mr. Amar Singh Mehta	Non-Executive Director
Mr. Desh Bandhu Doda	Non-Executive Director
Mr. V. Kumaraswamy	Non-Executive Director (w.e.f. 18.05.2021)
Mr. Rajiv Sheopuri	Non-Executive Director (w.e.f. 19.08.2021)
Mr. Ratan Chand Jain	Non-Executive Director (ceased w.e.f. 23.04.2021)
Mr. Vinit Marwaha	Non-Executive Director (w.e.f. 30.09.2020 to 16.09.2021)
Mr. Puneet Garg ^	Chief Financial Officer
Mr. Pankaj Kamra ^	Company Secretary
Mr. Sandeep Bhalla	Manager (w.e.f. 06.08.2020)

^ under the Companies Act, 2013

##### iv) Other Entities

JK Paper Ltd. (JKPL)	Associate of Holding company
JK Lakshmi Cement Ltd. (JKLC)	Associate of Holding company
Terrestrial Foods Ltd. (Formerly Terrestrial Foods Pvt. Ltd.)	(upto 24.05.2021)

Particulars	Year ended	TFL	JKPL	JKLC	KMP	Grand Tot
<b>Transactions during the year</b>						
<b>(a) Other Transactions</b>						
Sales of Goods/ Services (including GST)	March 31, 2022	469.74	-	-	-	469.74
	March 31, 2021	-	-	-	-	-

**Notes to Financial Statements for the year ended 31st March, 2022**

Rent Received (including GST)	March 31, 2022	0.07			-	0.07
	March 31, 2021	-			-	-
Rent Paid (including GST)	March 31, 2022		3.54	56.49	-	60.03
	March 31, 2021	-	3.54	52.15	-	55.68
Purchase of goods/ Services	March 31, 2022	29.34	9.67	18.85	-	57.86
	March 31, 2021	-	0.38	15.85	-	16.23

**(b) Short-Term Employee Benefits**

Remuneration #	March 31, 2022	-	-	-	102.45	102.45
	March 31, 2021	-	-	-	125.92	125.92
Director Sitting Fees to Non-Executive Directors	March 31, 2022	-	-	-	15.08	15.08
	March 31, 2021	-	-	-	14.01	14.01
Commission to Directors	March 31, 2022	-	-	-	-	-
	March 31, 2021	-	-	-	7.25	7.25

# The above said remuneration is excluding provision for gratuity and leave encashment, where the actuarial valuation is done on overall Company basis.

**(c) Closing balances**

Other Payables	March 31, 2022	-	-	-	-	-
	March 31, 2021	-	-	10.69	-	10.69

Note 1 LVP Foods Pvt. Ltd. has transferred its business to unrelated party w.e.f. April 1, 2020 therefore transaction entered during the year with LVP Foods Pvt. Ltd. has not been disclosed.

Note 2 **Terms and conditions of transactions with related parties:** Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

**37 FINANCIAL INSTRUMENTS**

(₹ Lakhs)

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**Financial Assets**

Sl. No	Particulars	As at 31st March, 2022		As at 31st March, 2021	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
1	<b>Financial assets designated at amortised cost</b>				
a)	Trade receivables	1,094.63	1,094.63	1,500.76	1,500.76
b)	Cash and cash equivalents	113.79	113.79	47.96	47.96
c)	Other bank balances other than "b" above	46.41	46.41	48.31	48.31
d)	Other financial assets	70.43	70.43	81.93	81.93
		<b>1,325.26</b>	<b>1,325.26</b>	<b>1,678.96</b>	<b>1,678.96</b>



## Notes to Financial Statements for the year ended 31st March, 2022

### Financial Liabilities

Sl. No	Particulars	As at 31st March, 2022		As at 31st March, 2021	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
1	<b>Financial liability designated at amortised cost</b>				
a)	Borrowings	5,584.55	5,584.55	3,857.19	3,857.19
b)	Trade payables	2,032.37	2,032.37	2,367.73	2,367.73
c)	Other financial liabilities	606.76	606.76	975.11	975.11
		<b>8,223.68</b>	<b>8,223.68</b>	<b>7,200.03</b>	<b>7,200.03</b>

The following methods and assumptions were used to estimate the fair values.

- A Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.
- B Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities are at their carrying amounts due to the short-term nature of these instruments.
- C The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There are no transfers between level 1 and level 2 during the year.

## 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

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

## Notes to Financial Statements for the year ended 31st March, 2022

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

The Company is exposed to credit risk, liquidity risk and market risk. The Company's management oversees the management of these risks. The management reviews and agrees policies for managing each of these risks, which are summarised below.

### i. Credit risk

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

#### Trade and other receivables

"The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company Management has established a procedure under which each new customer is analyzed individually for creditworthiness. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from authorised personnel of the Company.

Most of the Company's customers have been transacting with the Company for over four years, and no significant impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of loss allowances of trade receivables is ₹1094.63 lakhs (Previous year ₹ 1500.76 lakhs).

#### Ageing of trade receivables are as under:-

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Less than 6 months	More than 6 months	Total	Less than 6 months	More than 6 months	Total
Unsecured	1,070.99	23.64	1,094.63	1,490.16	33.09	1,523.25
Allowances for Credit Losses	-	-	-	-	(22.49)	(22.49)
Net Balance	1,070.99	23.64	1,094.63	1,490.16	10.60	1,500.76

During the year, the Company has write-offs trade receivables of ₹ 22.49 Lakhs (previous year ₹ Nil) where the Company does not expect to receive future cash flows.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	22.49	22.49
Changes in loss allowance	(22.49)	-
Closing balance	-	22.49

## Notes to Financial Statements for the year ended 31st March, 2022

### ii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses various debt instruments to manage market risks on account of interest rates. All such transactions are carried out as per guidelines of the Management.

#### (a) Interest rate risk

The Company's main interest rate risk arises from non-current and current borrowings with variable rates, which expose the Company to cash flow interest rate risk. Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk. The Company's borrowings at variable rate were denominated in Rupees.

#### Exposure to interest rate risk

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

Particulars	Fixed-rate instruments		Variable-rate instruments		Total	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Borrowings	-	14.44	4,443.03	3,762.24	4,443.03	3,776.68

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bp	50 bp	50 bp	50 bp
	increase	decrease	increase	decrease
<b>Cash flow sensitivity</b>				
Variable-rate instruments (as at 31st March, 2022)	(22.22)	22.22	(16.03)	16.03
Variable-rate instruments (as at 31st March, 2021)	(18.81)	18.81	(13.58)	13.58

#### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### (b) Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's does not have material exposure to foreign currency.

**(c) Commodity price risks**

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of dairy products and therefore, requires a continuous supply of certain raw materials such as milk, sugar, etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

**iii. Liquidity risk**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ Lakhs)

Particulars	Carrying Amount	Less than 1 year	1-5 Years	More than 5 year	Total
<b>As at 31st March, 2022</b>					
Borrowings –Current	3,323.03	3,323.03	-	-	3,323.03
Borrowings -Non Current (including current maturity)	2,320.00	308.33	2,011.67	-	2,320.00
Lease Liability	249.85	21.31	109.33	119.21	249.85
Trade and Other Payables	2,330.80	2,319.80	11.00	-	2,330.80
<b>Total</b>	<b>8,223.68</b>	<b>5,972.47</b>	<b>2,132.00</b>	<b>119.21</b>	<b>8,223.68</b>
<b>As at 31st March, 2021</b>					
Borrowings –Current	2,893.56	2,893.56	-	-	2,893.56
Borrowings -Non Current (including current maturity)	654.44	188.68	465.76	-	654.44
Lease Liability	269.20	19.34	99.22	150.64	269.20
Trade and Other Payables	3,524.81	3,513.81	11.00	-	3,524.81
<b>Total</b>	<b>7,342.01</b>	<b>6,615.39</b>	<b>575.98</b>	<b>150.64</b>	<b>7,342.01</b>

### 39 Other Disclosures

#### a Ratios and their Elements as per the requirements of Schedule III to Companies Act 2013

S. No	Ratio	Numerator	Denominator	31-03-2022	31-03-2021	% Change	Reason of Change
1	Current Ratio (Times)	Current Asset	Current Liability	1.08	1.11	-2.08%	
2	Debt Equity Ratio (Times)	Total Debt	Shareholder Equity	1.14	0.58	-97.19%	Due to losses in current year
3	Debt Service Coverage Ratio (Times)	EBITDA	Debt Service*	-0.77	2.06	-137.25%	Due to losses in current year
4	Return on Equity	Profit after tax	Shareholder Equity	-30%	6%	-571.12%	Due to losses in current year
5	Inventory Turnover Ratio (Times)	Sales	Average Inventory	3.51	3.82	-8.17%	
6	Trade Receivable Turnover Ratio (Times)	Sales	Average Trade Receivables	15.72	21.05	25.30%	Better sales realisation
7	Trade Payable Turnover Ratio (Times)	Purchases	Average Trade Payables	5.53	6.21	-10.94%	
8	Net Capital Turnover Ratio (Times)	Net Sales	Working Capital	38.22	30.60	24.90%	Better sales realisation and better inventory management
9	Net Profit Ratio	Net Profit after Tax	Net Sales	-6.99%	1.65%	-522.64%	Due to losses in current year
10	Return on Capital Employed	EBITDA	Capital Employed	-14.86%	9.23%	-261.10%	Due to losses in current year

#### b Details of Benami Property held:

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

#### c Willful Defaulter:

The Company has not been declared as Willful Defaulter by any Bank or Financial Institution or other Lender.

#### d Relationship with Struck off Companies :

During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.

#### e Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### f Utilisation of Borrowed funds and share premium:

During the financial year ended 31st March 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

- (i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**g Undisclosed Income:**

The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

**h Details of Crypto Currency or Virtual Currency:**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**40 Leases**

**As a Lessee**

- (i) On 31st March, 2022, lease liabilities were ₹ 249.85 lakhs (previous year ₹ 269.19 lakhs). The corresponding interest expense for the year ended 31st March, 2022 was ₹ 27.46 lakhs. The portion of the lease payments recognized as a reduction of the lease liabilities and as a cash outflow from financing activities amounted to ₹ 19.34 lakhs for the year ended 31st March, 2022.
- (ii) The maturity of the lease liabilities is as follows: (discounted)

Particulars	<=1 Year	1-3 Years	4-5 Years	>5 Years	Total
as at 31st March, 2022	21.31	49.37	59.96	119.21	249.85
as at 31st March, 2021	19.34	44.81	54.41	150.63	269.19

- (iii) The Company recognizes the expenses of low value leases or short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases for the year was ₹ 71.91 lakhs (previous year ₹ 87.42 lakhs).
- (iv) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended 31st March, 2022.
- (v) There are no variable lease payments for the year ended 31st March, 2022 and 31st March, 2021.
- (vi) Total cash outflow on leases for the year ended 31st March, 2022 was ₹ 46.80 lakhs (previous year ₹ 46.80 lakhs).

**As a Lessor**

There is income of ₹ 5.40 Lakhs from subleasing right-of-use to Terrestrial Food Processors Private Limited and no gains or losses from sales and leaseback for the year ended 31st March, 2022.

- 41** a) The Management has carried out review of the remaining useful lives of its property, plant and equipments and its value in use. As the recoverable amount as per projections exceeds the carrying amount, no impairment has been provided for in these accounts.
- b) Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.



- c) In earlier years the Company has implemented new ERP which is under stabilization. Certain accounts maintained under ERP is under reconciliation. Variations, if any, arise on completion of reconciliation shall be adjusted as and when identified. In the opinion of the management, no material variations are expected and will have no material impact on the reported figures.

#### 42 Corporate Social Responsibility

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Amount required to be spent by the company during the year	12.41	11.37
(ii) Amount of expenditure incurred		
- Promotion of Education	12.42	14.30
(iii) Shortfall at the end of the year	NIL	NIL
(iv) Total of previous years shortfall	NIL	NIL
(v) Reason of shortfall	NA	NA
(vi) Nature of CSR activities	Promoting education and Response to natural emergencies and calamities	

#### 43 Event occurring after balance sheet date

During the year, the Board of directors has not recommended dividend for the financial year ended 31st March, 2022. During the previous year, the Board of directors has recommended dividend ₹ 0.50 (full value) per equity share aggregating ₹ 110.02 lakhs for the financial year ended 31st March, 2021.

#### 44 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Borrowings	4,443.03	3,776.68
Less: cash and cash equivalents including bank balance	113.79	47.96
<b>Net debt</b>	<b>4,329.24</b>	<b>3,728.72</b>
Total Equity (Equity Share Capital and Other Equity)	4,665.77	6,187.98
<b>Capital and Net debt</b>	<b>8,995.01</b>	<b>9,916.70</b>
<b>Gearing Ratio</b>	<b>48.13%</b>	<b>37.60%</b>



- 45 Covid-19 pandemic has caused a significant impact in the current year on account of demand decline for the Company. However in view of improving market conditions, the company expects to recover the carrying amount of its assets including inventories, receivables, and loans in the ordinary course of business.
- 46 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

For and on behalf of the Board of Directors

As per our report of even date attached.

For **Singhi & Co.**

Chartered Accountants

Firm Reg No. 302049E

**Bimal Kumar Sipani**

Partner

M.No. 088926

Place: Noida (Delhi-NCR)

Date: May 20, 2022

**Ram Chandra Periwal**  
(Director)

**Amar Singh Mehta**  
(Director)

**Pankaj Kamra**  
(Company Secretary)

**Sandeep Bhalla**  
(Manager)

**Puneet Garg**  
(Chief Financial Officer)

[illegible]

[illegible]



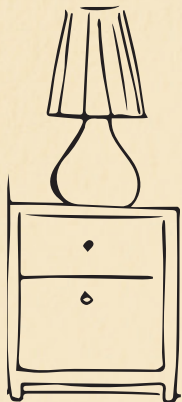
## MILK PROCUREMENT



## CORPORATE SOCIAL -RESPONSIBILITY



## AWARDS FROM MOTHER DAIRY





Liquid Milk  
Packaging Plant



Curd Plant



Drying Plant



**UMANG DAIRIES LTD.**

3rd Floor, Gulab Bhawan, 6A,  
Bahadur Shah Zafar Marg, New Delhi - 110 002

☎ 011-68201770 ✉ [umang@jkmil.com](mailto:umang@jkmil.com) 🌐 [umangdairies.com](http://umangdairies.com)





# UMANG DAIRIES LIMITED

CIN: L15111UP1992PLC014942, Website: www.umangdairies.com

Regd. Office: Gajraula Hasanpur Road, Gajraula- 244 235, Distt. Amroha, Uttar Pradesh

Admin. Office: Gulab Bhawan (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi 110 002

Phone: 011-68201776, Email ID: sharesumang@jkmil.com

## NOTICE

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of the Members of Umang Dairies Limited (**'the Company'**) will be held on Tuesday, the 13th September 2022 at 12.30 P.M. through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2022 and the Reports of the Auditors and Board of Directors thereon.
2. To appoint a Director in place of Shri Virupakshan Kumaraswamy (DIN: 02443804), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass, the following as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Audit Committee and Board of Directors of the Company, M/s Singhi & Co., Chartered Accountants, New Delhi, (Firm Registration No. 302049E), be and are hereby re-appointed as Auditors of the Company, to hold office for second term of five consecutive years from the conclusion of 29th Annual General Meeting (AGM) till the conclusion of the 34th AGM to be held in the year 2027, on a remuneration of Rs. 3,80,000/- (Rupees Three lac eighty thousand), excluding G.S.T./other taxes as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, for the first year.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to fix remuneration of the said Auditors for the subsequent four years thereafter, based on the recommendations of the Audit Committee of Directors of the Company in consultation with the said Auditors and to do all acts, deeds, matters and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

### As Special Business

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and Schedule IV of the Companies Act, 2013 (the Act) read with relevant Rules made thereunder and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and other applicable provisions of the Act and Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Ramesh Chand Surana (DIN: 00089854), whose appointment on the Board of the Company as an Additional Director determines on the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of 3 (three) consecutive years, with effect from 5th August 2022."

5. To consider and if thought fit to pass, the following as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time

being in force), remuneration of M/s Sanjay Kumar Garg & Associates, Cost Auditors, appointed by the Board of Directors of the Company, to conduct audit of the cost records of the Company for the financial year 2022-23 commencing 1st April 2022, of Rs. 42,000/- (Rupees Forty two thousand), excluding G.S.T./other taxes as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Cost Auditors in connection with the cost audit, be and is hereby ratified.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

**Regd. Office:**

Gajraula Hasanpur Road, Gajraula - 244 235  
Distt. Amroha (Uttar Pradesh)

Date: 8th August 2022

By Order of the Board

**Pankaj Kamra**

Company Secretary

**NOTES:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No.20/2020 dated 5th May 2020 read with General Circular No. 02/2022 dated 5th May 2022, allowed companies whose Annual General Meeting (AGM) are due in the year 2022, to conduct their AGMs on or before 31st December 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 (MCA Circulars). The Securities and Exchange Board of India (SEBI) also issued Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May 2022 (SEBI Circular). In compliance with these Circulars, provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the 29th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 29th AGM shall be the Registered Office of the Company.
2. Statement under Section 102 of the Act, setting out the material facts concerning Item Nos. 3, 4 and 5 of the Notice, is annexed hereto.
3. Pursuant to MCA/SEBI circulars, the facility to appoint proxy to attend and cast vote for the Members will not be available for this AGM. Hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM, at [sharesumang@jkmall.com](mailto:sharesumang@jkmall.com).
5. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act shall be electronically available for inspection by the Members during the AGM.

6. Relevant documents referred to in this Notice and Statement under Section 102 of the Act, shall be available for inspection by the Members from the date of circulation of this Notice upto the date of the AGM through electronic mode. Members seeking inspection can send an email in advance to [sharesumang@jkm.com](mailto:sharesumang@jkm.com).
7. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 7th September 2022 to Tuesday, 13th September 2022 (both days inclusive).

8. **Despatch of Annual Report and Notice of AGM through electronic mode:**

In accordance with MCA/SEBI circulars, owing to the difficulties involved in despatching of physical copies of the Annual Report comprising Board's Report, Auditor's Report, Audited Financial Statements and other documents required to be attached therewith, the Annual Report for FY 2021-22 and the Notice of 29th AGM are being sent through electronic mode only to those Members whose email addresses are registered with the Company or the Depository Participant(s).

In case any member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2021-22 and Notice of 29th AGM of the Company, may send request to the Company's email address at [sharesumang@jkm.com](mailto:sharesumang@jkm.com) mentioning Folio No./DP ID and Client ID.

For receiving Notice and Annual Report from the Company electronically, Members are requested to write to the Company with details of Folio number/ DPID/Client ID and attaching a self-attested copy of PAN at [sharesumang@jkm.com](mailto:sharesumang@jkm.com) or [investor@masserv.com](mailto:investor@masserv.com).

9. As mandated by SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November 2021 read with SEBI Circular No. SEBI/HO/MIRSD\_RTAP/P/CIR/2021/687 dated 14th December 2021, the Company vide its letter dated 16th March 2022 had requested all Shareholders including joint holders holding shares in physical form in the Company, to furnish their KYC including email id, nomination and other details in the prescribed Forms (ISR-1, 2, 3, SH-13 and 14), to the Registrar and Share Transfer Agent (RTA) of the Company. The aforesaid forms are available on the website of the Company at [www.umangdairies.com](http://www.umangdairies.com). Members, who have not submitted the required details are requested to send these details to RTA, MAS Servies Ltd. at its Office at T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 or email to [investor@masserv.com](mailto:investor@masserv.com).

As per abovementioned SEBI Circulars, in absence of KYC and other details as mandated therein, such folios shall be frozen by RTA and no service request shall be entertained w.e.f. 1st April 2023.

10. The Notice of AGM and Annual Report for the financial year 2021-22, are available on the website of the Company at [www.umangdairies.com](http://www.umangdairies.com) and also on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. Notice of AGM is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
11. Members can join the AGM through VC/OAVM mode thirty (30) minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served principle.
12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

**13. Appointment/Re-appointment of Directors:**

Pursuant to the provisions of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2), brief resumes of: (i) Shri Virupakshan Kumaraswamy, Director proposed to be re-appointed is given below, and (ii) Shri Ramesh Chand Surana, proposed to be appointed as Independent Director, is given in the Statement under Section 102 of the Act, at relevant Item No. 4 of the Notice, annexed hereto.

Shri Kumaraswamy (DIN:02443804), aged 61 years, is a Management Graduate from Indian Institute of Management, Ahmedabad and CMA professional. He has over 36 years of experience in Corporate Finance, Strategy, Financial Services, Banking and Mergers & Acquisitions.

Shri Kumaraswamy is on the Board of several companies. He is a senior finance professional and has extensive experience in strategic tie-ups, Joint Ventures, Mergers & Acquisitions and Corporate Restructuring. He is also member of Corporate Finance committee and Manufacturing Sector Committee of various Trade & Industry Bodies viz. FICCI.

He had also worked with PricewaterhouseCoopers, Voltas, Ciba-Geigy, ITC Group and Lalbhai Group and handled various areas of financial/banking and strategy matters. He has authored books on Corporate Insurance and Risk Management, Making Growth Happen in India. He has also published over 90 articles in various economic dailies of India and on matters of reforms, fiscal policies, budget matters and trade policies.

He joined the Board of the Company on 18th May 2021. He is also on the Board of The Sirpur Paper Mills Limited, Global Strategic Technologies Limited, Songadh Infrastructure & Housing Limited and Jaykaypur Infrastructure & Housing Limited. He is not on the Board of any listed company during the last 3 years. He is currently Member of the Audit Committee of The Sirpur Paper Mills Limited.

Shri Kumaraswamy had attended all four Board Meetings of the Company held after his appointment, during the financial year ended 31st March 2022. He does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. He is not related to any other Director and Key Managerial Personnel of the Company.

For details regarding the remuneration paid to him during the financial year ended 31st March 2022, please refer Corporate Governance section of the Annual Report for the financial year 2021-22. He shall be entitled to the sitting fees for attending Board and Committee Meetings and Commission on Net Profits, if any.

**14. Instructions for Members for remote e-voting and joining meeting through VC/OAVM are as under:**

(A) In compliance with the provisions of Section 108 of the Act read with relevant Rules made thereunder and Regulation 44 of the Listing Regulations, the Company is pleased to provide its Members, facility to exercise their right to vote at the 29th AGM by electronic means and the business may be transacted through remote e-voting services provided by CDSL. Remote e-voting is optional. The facility of e-voting shall also be made available at the AGM and Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right to cast vote during the AGM.

(B) The instructions for Members for remote e-voting are as under:

- (i) The remote e-voting period begins on Saturday, 10th September 2022 (10:00 A.M.) and ends on Monday, 12th September 2022 (5:00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, 6th September 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote on the date of AGM.

(C) **Login method for e-voting and joining virtual meeting for Individual Members holding securities in demat mode.**

In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020 on e-voting facility provided by Listed Entities, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants (DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP), thereby, not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to register / update their mobile number and e-mail ID with their DPs in order to access e-voting facility and/or attend the AGM.

Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs.

Login method for e-voting and joining virtual meetings for Individual Members holding shares in Demat mode are given below:

Type of Members	Login Method
<b>Individual Members holding shares in Demat mode with CDSL</b>	<p><b>Users who have opted for CDSL Easi/Easiest facility:</b></p> <ul style="list-style-type: none"> <li>(i) Members, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>(ii) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting his vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, links are also provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</li> </ul> <p><b>Users who have not opted for Easi/Easiest:</b></p> <ul style="list-style-type: none"> <li>(i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>(ii) Alternatively, the user can directly access e-voting page by providing his Demat Account Number and PAN from e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all other e-voting Service Providers.</li> </ul>

Type of Members	Login Method
Individual Members holding shares in demat mode with NSDL	<p><b>Users registered for NSDL IDeAS facility:</b></p> <p>(i) Open web browser by typing the URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section.</p> <p>(ii) A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services.</p> <p>Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p> <p><b>Users not registered for IDeAS e-Services:</b></p> <p>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> Visit the e-voting website of NSDL.</p> <p>(i) After successfully registering on IDeAS, Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(ii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</p> <p>Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Members (holding Shares in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option.</p> <p>Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-voting feature.</p> <p>Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve Password are advised to use Forget Password option available at abovementioned website(s).

Individual Members holding shares in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL may reach out to below helpdesk:

Login type	Helpdesk details
Individual Members holding shares in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call at 1800 22 55 33.
Individual Members holding shares in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990.

**(D) Login method for remote e-voting and joining virtual meeting by Members (other than Individual Members) holding shares in Demat mode & all Members holding shares in Physical mode**

The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

Click on “Shareholders/Members” module.

Now enter your User ID

- (i) For CDSL: 16 digits beneficiary ID;
- (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
- (iii) Members holding Shares in Physical Form should enter Folio Number registered with the Company.  
OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login – New system Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form (other than Individuals) and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Members as well as Physical Members)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/MAS Services Ltd., Registrar and Share Transfer Agent (RTA) or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.



- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Member 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant for Umang Dairies Limited.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password, enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**15. Information and Instructions for Members attending the AGM through VC/OVAM are as under:**

- (A) Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. The link for VC/OAVM will be available in Shareholder/ Members login where the EVSN of Company will be displayed.
- (B) Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- (C) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (D) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (E) Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request on or before 3rd September 2022 mentioning their name, demat account number/folio number, registered email id and mobile number at [sharesumang@jkm.com](mailto:sharesumang@jkm.com). The Members who do not wish to speak during the AGM but have queries may send their queries on or before 3rd September 2022 mentioning their name, demat account number/folio number, email id and mobile number at [sharesumang@jkm.com](mailto:sharesumang@jkm.com). These queries will be replied by the Company suitably.

- (F) Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- (G) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
16. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
17. **Instructions for Members for e-voting during the AGM are as under:**
- (a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - (b) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
  - (c) If Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
  - (d) Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
18. **Other Common Instructions:**
- (i) Facility for Non – Individual Members and Custodians – Remote E-Voting
    - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User 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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
    - Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address at [sharesumang@jkm.com](mailto:sharesumang@jkm.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

- (ii) If you have any queries or issues regarding attending AGM & e-voting from the e-voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

- (iii) The voting rights of Members shall be in proportion to their shareholding in the paid up equity share capital of the Company as on the Cut-off date and a person who is not a Member as on the Cut-off date should treat the Notice for information purpose only.
- (iv) Any person, who acquires shares of the Company and become Member of the Company after despatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.
- (v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- (vi) The Company has appointed Shri Namo Narain Agarwal, Company Secretary in Practice (Membership No. FCS-234), as Scrutinizer and failing him, Shri Naveen Kumar Rastogi, Company Secretary in Practice (Membership No. FCS- 3685) as Alternate Scrutinizer, to scrutinize the process of remote e-voting and voting on the date of AGM in a fair and transparent manner.
- (vii) The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman of the meeting or a person authorized by him in writing, who shall countersign the same. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website at [www.umangdairies.com](http://www.umangdairies.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchange. The results of the voting will also be displayed at the Notice Board at the Registered and the Administrative Office of the Company.
- (viii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date and who has not cast vote by remote e-voting, and being present at the AGM only shall be entitled to vote at the AGM.

## **STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3**

M/s Singhi & Co., Chartered Accountants, New Delhi, (Firm Registration No. 302049E), were appointed as Auditors of the Company, for a term of five (5) consecutive years, from the conclusion of 24th Annual General Meeting (AGM) held in the year 2017 till the conclusion of 29th AGM to be held in the year 2022.

Consequently, M/s Singhi & Co., Chartered Accountants, will complete their first term of five consecutive years as the Auditors of the Company at the conclusion of this AGM of the Company.

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 (the Act), the Company can re-appoint an audit firm as Auditors for a second term of five consecutive years. Accordingly, M/s Singhi & Co., Chartered Accountants, are proposed to be re-appointed as Auditors of the Company for a second term of five consecutive years commencing from the conclusion of 29th AGM till the conclusion of the 34th AGM to be held in year 2027.

M/s Singhi & Co., Chartered Accountants, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) and office is in New Delhi. The said Audit Firm holds a valid Peer Review Certificate issued by the Peer Review Board of ICAI.

M/s Singhi & Co., Chartered Accountants, have consented to the said re-appointment, and confirmed that their reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be re-appointed as Auditor in terms of the provisions of the Sections 139 and 141 of the Act, and the Companies (Audit and Auditors) Rules, 2014.

Audit Committee has recommended the re-appointment of M/s Singhi & Co., Chartered Accountants, for a second term of five consecutive years, on remuneration of Rs. 3,80,000/- (Rupees Three lac eighty thousand) for the first year, excluding G.S.T./other taxes as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit. The said recommendation is based on the fulfilment of the aforesaid eligibility criteria with regard to the full time partners, statutory audit, experience of the firm, capability, independence assessment, audit experience and also based on the evaluation of the quality of audit work in the Company.

The Board recommends the aforesaid Ordinary Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

#### **Item No. 4**

The Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee of Directors of the Company has, appointed Shri Ramesh Chand Surana (DIN: 00089854) as Additional Director of the Company, in the category of Independent Director, to hold office for a term of 3 (three) consecutive years, w.e.f. 5th August 2022, subject to requisite approval of the Members at the forthcoming Annual General Meeting (AGM) of the Company.

Brief profile and specific area of expertise of Shri Ramesh Chand Surana are as under:

Shri Ramesh Chand Surana, aged 69 years, has a management postgraduate from FMS, Banaras Hindu University (BHU) and has more than 3 decades of rich experience in Finance, Marketing, Project Execution and Plant Management. He started his career with HEG Limited in 1976 as Management Trainee immediately after his MBA from BHU. He became President in 1997, CEO in 1999 and Whole Time Director in 2003 till 2010. During his tenure in HEG, he was involved in technology transfer from SERS (Pechinery group) of France and dealt project implementation, finance, marketing and plant management. He was instrumental in phenomenal growth of HEG during his tenure and modernized Bhopal plant and made that unit as a single largest graphite plant in the world. He developed single handedly international business of HEG and was awarded by Honorable Prime Minister award for outstanding growth. The turnover of international trade constituted 70%. He was member of PHD Executive Committee, Chairman of Bhopal chapter. He was also appointed as Chairman of Govt., Polytechnic college of Bhopal. After HEG stint, he founded Environ Care Products LLP, manufacturing Company in areas of carbon air filters, deodorizer, injection moulding products in Greater Noida, U.P.

He is currently on the Board of Kamdhenu Limited, Novex Overseas Private Limited, Sood India Private Limited and Kamdhenu Ventures Limited. He is Member of Audit Committee of Kamdhenu Limited and Kamdhenu Ventures Limited and also Chairman of Stakeholder Relationship Committee of Kamdhenu Limited. In past three years, he has not resigned from the directorship of any of the listed company.

The Company has received his consent in writing to act as Director in term of Section 152(5) of the Companies Act, 2013 (the Act) and Declaration of Independence under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In terms of Regulation 25(8) of Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence and has complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. He is not presently disqualified from being appointed as a Director in terms of Section 164 of the Act or debarred from holding office of Director pursuant to any Order passed by SEBI or any other such authority. He does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. He is not related to any other Director and Key Managerial Personnel of the Company.

In the opinion of the Board, he fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Rules made thereunder and the Listing Regulations. Further, keeping in view his qualification, vast experience and knowledge, it will be in the interest of the Company to appoint Shri Ramesh Chand Surana as an Independent Director of the Company. He shall be entitled to sitting fees for attending Board & Committee Meetings and Commission on Net Profits, if any.

Pursuant to the provisions of Section 161 of the Act and Article 117 of the Articles of Association of the Company, Shri Ramesh Chand Surana shall hold office as an Additional Director upto the date of this AGM and is eligible to be appointed as the Independent Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing, from a Member, proposing the candidature of Shri Ramesh Chand Surana for the office of Director.

Copy of the draft letter of appointment of Shri Ramesh Chand Surana as an Independent Director setting out the terms and conditions and other relevant documents would be available for inspection by the Members at the Registered Office/ Administrative Office of the Company and is also posted on the website of the Company.

The Board recommends the aforesaid Special Resolution for approval by the Members.

Except Shri Ramesh Chand Surana and his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

#### **Item No. 5**

The Board at its meeting held on 20th May 2022, as recommended by the Audit Committee, had appointed M/s. Sanjay Kumar Garg & Associates., Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23 commencing 1st April 2022 on a remuneration of Rs. 42,000/- excluding G.S.T./other taxes as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the Cost Audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board recommends the aforesaid Ordinary Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

**Regd. Office:**

Gajraula Hasanpur Road, Gajraula - 244 235  
Distt. Amroha (Uttar Pradesh)

Date: 8th August 2022

By Order of the Board

**Pankaj Kamra**  
Company Secretary

## FOR ATTENTION OF THE MEMBERS

1. Members may please note that SEBI vide its notification dated 24th January 2022 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and has mandated that all requests for transfer, transmission and transposition of securities shall be processed only in dematerialised form. In view of the same, Members are advised to dematerialize the shares held by them in physical form. Members can contact the **Company's Registrar & Share Transfer Agent (RTA): MAS Services Ltd., T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020** or may write to the **Secretarial Department of the Company at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002**, for assistance in this regard.

Dematerialization facility is available both on NSDL and CDSL. Company's ISIN is INE864B01027.

2. SEBI vide its Circulars dated 25th January 2022 and 18th May 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4/ ISR-5, as the case maybe. The said Form can be downloaded from the website of the Company i.e. [www.umangdairies.com](http://www.umangdairies.com) and is also available on the website of the RTA at [www.masserv.com](http://www.masserv.com).
3. SEBI vide its Circular dated 30th May 2022 has prescribed Standard Operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for a dispute between a Listed Company and/ or RTA and its Shareholder(s)/Investor(s). The said circular is available on the website of the Company at [www.umangdairies.com](http://www.umangdairies.com).
4. Members having multiple folios are requested to write to the RTA for consolidation of the folios.
5. Dividend Warrants:

As per SEBI Listing Regulations, it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Accordingly, the Members are requested to register/update their correct bank account details with the Company/RTA/Depository Participant, as the case may be.

### 6. Investor Education and Protection Fund

#### a. Unclaimed dividends - Transfer to Investor Education and Protection Fund:

Pursuant to the provisions of Section 124 read with Section 125 and other applicable provisions, if any, of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Accordingly, the unclaimed Dividend for the financial year ended 31st March 2015 and 31st March 2016 will become due for transfer to the IEPF on 28th October 2022 and 20th October 2023.

Members who have not claimed their dividend from the financial year 2014-15 onwards may write to the Secretarial Department of the Company at the address mentioned above.

- b. Pursuant to Section 124(6) of the Act read with the IEPF Rules, as amended, the Company has, during Financial Year 2021-22, transferred all the shares in respect of which dividend had remained unpaid/ unclaimed for seven consecutive years or more to the IEPF authority within the prescribed time. The details of such shares transferred to the IEPF Authority are available on the website of the Company.



With respect to dividend and shares due for transfer in the Financial Year 2022-23, the notice is being sent to all the Members whose dividends are lying unclaimed for seven consecutive years or more to claim the same at the earliest.

- c. Members may note that shares as well as unclaimed dividend transferred to the IEPF Authority can be claimed back. Concerned Members are advised to visit the web link: <http://iepf.gov.in/> or contact the Company for claiming the shares and / or refund of dividend from the IEPF Authority.
  - d. Special assistance to senior citizen claimants: IEPF Authority has launched a special window facility for senior citizens of age 75 years and above. The Company supports the aforesaid initiative and will facilitate all such claimants in filing IEPF-5 as well as their e-verification report on priority in Ministry of Corporate Affairs. All such senior citizen claimants may write to [sharesumang@jkm.com](mailto:sharesumang@jkm.com) for the required assistance.
7. Nomination: Pursuant to Section 72 of the Companies Act, 2013, individual Members holding Equity Shares of the Company either singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Members. Member holding shares in physical form, may send their nomination in the prescribed Form SH-13, duly filled in, to the Company's RTA or Secretarial Department at the address mentioned above. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be.
- Members holding shares in dematerialized form are requested to contact their Depository Participant in this regard.
8. Members are requested to quote their Folio No./DP ID- Client ID and details of shares held in physical/demat mode, email IDs and telephone/mobile nos. for prompt reply to their communications.

