

UMANG DAIRIES LIMITED

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



23rd August 2019

Electronic filing

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

Scrip Code: 500231

National Stock Exchange of India Limited
“Exchange Plaza”
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051

Symbol : UMANGDAIRY
Series : EQ

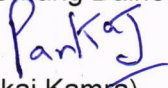
Dear Sir/Madam,

Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 - Annual Report for the financial year ended 31st March 2019

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report 2018-19 of the Company for the Financial Year ended 31st March 2019 alongwith Notice of the Annual General Meeting scheduled to be held on Thursday, 19th September, 2019 at Gajraula Hasanpur Road, Gajraula – 244 235, Dist. Amroha, Uttar Pradesh.

Thanking you,

Yours faithfully,
For Umang Dairies Limited


(Pankaj Kamra)
Company Secretary

Encl:a/a



Admn. Office : Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002, Ph. : (011) 33001162, 33001112, Fax : 23739475

E-mail : umang@jkmil.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, Website : www.umangdairies.com, C I N : L15111UP1992PLC014942

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



CELEBRATING

health & happiness

ANNUAL REPORT 2018-2019



UMANG DAIRIES LIMITED



ENJOY THE GREAT TASTE OF PURITY, IN A LARGE VARIETY OF MILK PRODUCTS
FROM UMANG DAIRIES. DELICIOUS, FRESH AND LOADED WITH THE PROMISE OF GOOD HEALTH.





BOARD OF DIRECTORS

Ram Chandra Periwal
Sharda Devi Singhania
Amar Singh Mehta
Ratan Chand Jain
Desh Bandhu Doda
Manish Bandlish
Chief Executive Officer & Director

ADMINISTRATIVE OFFICE

Gulab Bhawan (Rear Block), 3rd Floor
6A, Bahadur Shah Zafar Marg
New Delhi - 110 002
Phone : (011) 30179770
E-mail : umang@jkmil.com
website : www.umangdairies.com

REGISTERED OFFICE

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

AUDITORS

Singhi & Co.
Chartered Accountants

COMPANY SECRETARY

Pankaj Kamra

BANKERS

Axis Bank
RBL Bank
Yes Bank

SHARE TRANSFER AGENT

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



DIRECTORS' REPORT AND MANAGEMENT DISCUSSIONS AND ANALYSIS

To the Members,

The Directors have pleasure in presenting the 26th Annual Report and Audited Financial Statements of Umang Dairies Limited (UDL) for the year ended 31st March, 2019.

FINANCIAL RESULTS

(₹ in Lakhs)

	2018-19	2017-18
Revenue from Operations	22,577	24,576
Profit before Finance Cost and Depreciation (PBIDT)	1,416	1,343
Profit before Tax (PBT)	654	610
Profit after Tax (PAT)	505	527
Surplus brought forward	3,284	2,958
Total amount available for appropriation	3,789	3,485
APPROPRIATIONS:		
Capital Redemption Reserve	-	151
General Reserve	50	50
Dividend (Incl. Tax)	66	-
Surplus carried forward	3,673	3,284

DIVIDEND

The Directors are pleased to recommend a dividend of 10% on equity shares.

OPERATIONS

The Revenue from Operations was Rs 22,577 Lakhs during the year as compared to Rs 24,576 Lakhs in the previous year. As anticipated last year, the price of Milk, SMP and Ghee remained soft during the year. There was also a slump in International prices of SMP. Due to these factors your Company took strategic decision to reduce bulk sales (SMP/Ghee) by 44%. UDL is also focusing on converting bulk sales into retail packs to gain better margins. This has led to volume growth in retail and Institutional sales. The sales of consumer pack Ghee and Private label ghee increased by 52% for the year over previous year. UDL is continuing to invest behind retail distribution expansion and up-gradation of distribution infrastructure. This will help in driving sales and distribution for the consumer products.

UDL focused on decreasing interest costs through reduction of working capital which has resulted in better cash flow for the year.

The capacity utilization for the plant stood at 47% for the year.

2018-19 was a challenging year as several small players entered the industry due to surplus availability and low price of SMP. This led to these smaller players launching low price milk powders in the market. Despite these challenges, UDL has been able to retain its volumes in the consumer segment, with its brands like JK Dairy White Magik, JK Dairy Top & Umang Ghee. UDL has been able to grow its institutional business of its dairy products like Ghee and Dairy Whiteners to Organised Retail chains like Walmart, Grofers, Spar, Spencers and to large corporates like Coca Cola and GSK Consumer Healthcare, as an input to their final products.

In the coming year UDL will continue its efforts to build both its consumer and institutional segments for its products including SMP and Ghee. The company has renewed its efforts on New Product Development. UDL is actively engaging with consumers to develop New Products based on their feedback.



MILK PROCUREMENT / RAW MATERIAL SECURITY

Milk prices remained soft during the year. Many companies had excess inventory of Fat & SMP on account of which the commodity prices (SMP & Ghee) remained under pressure. The realization of Milk prices for the farmers also declined significantly leaving less money in their hands to invest in new cattle. In 2019-20 the production of milk is expected to be low which can result in significant increase in Milk prices over 2018-19. The selling prices of Ghee/SMP also expected to improve significantly for next year.

Most dairies are procuring the milk through VLC pattern which is also leading to high competition at the village level. Share of milk procured through VLC has increased for UDL during the year which has also led to better quality milk being procured to manufacture the products.

LIQUID MILK PLANT

UDL operates and manages a facility owned by another Company to process and pack Liquid Milk in poly pouches, under a long term agreement. Capacity utilization for the year was at 96%, which is highest till date.

The capacity utilisation for the Curd Chhach plant was better than 2017-18.

EXPANSION AND MODERNIZATION PLAN

UDL continues to modernise its plant for better efficiency. The company has commissioned CBMM (Continuous Butter Making Machine) leading to better productivity. UDL is working on continuous improvement in productivity initiatives including reduction in stack losses. UDL is installing High Speed Powder Packing machine in 2019-20 that will result in better productivity, reduction in packing material loss and better packing quality.

FOOD SAFETY

Food Safety and Quality remained a Focus Area for UDL during FY 2018 -19.

We upgraded the Food Safety Management System as per requirement of FSSC 22000 Version 4.1 and Quality Management System as per ISO : 9001 – 2015. This enabled us to maintain the same standards that leading food & dairy brands follow as far as Food Safety and Quality Management systems are concerned.

Good Manufacturing Practices (GMP) played a pivotal role for this transition phase. In– House Trainings were conducted by Renowned external experts. Staff Members from different functions were trained in FOSTAC & GMP respectively.

As result of the above efforts UDL has successfully cleared GMP & Food Safety Audits by renowned Indian and International companies. We sustained Number 1 Position in Plant Grading Index (PGI) Audit by Mother Dairy for 5th year in a row for 3P operations. This covers Infrastructure and Systems in Dairy Processing Plant for Food Safety Compliance.

INDUSTRY SCENARIO

INDIAN DAIRY INDUSTRY

India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth in milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, most of the dairy produce in India is consumed domestically, with the majority of it being sold as liquid milk. On account of this, the Indian dairy industry holds tremendous potential for value-addition and overall development. According to the latest report by IMARC Group, titled **“Dairy Industry in India 2019 Edition: Market Size, Growth, Prices, Segments, Cooperatives, Private Dairies, Procurement and Distribution”**, the dairy market in India reached a value of INR 9,16,800 Crores in 2018.

There are many Opportunities and Challenges in The Indian Dairy Industry. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for a large vegetarian segment of the Indian population. Dairying has been considered as one of the activities aimed at alleviating the poverty and unemployment, especially in the rural areas in the rain-fed and drought-prone regions. In India, about three-fourth of the population live in rural areas and about 1/3 of them are poor.

Utilizing the benefits of an integrated sales and distribution system and employing diversified sourcing is the way forward in the sector. The value added dairy industry segment is expected to attract investments and lot of players are entering into the



dairy industry. Players are emphasizing on offering the consumer better quality differentiated products. Consumers are looking for more and more healthy and tasty dairy options. This trend is expected to continue in the coming years. As per research agencies, dairy sector to grow at 15% CAGR till 2020. Interestingly, the per capita milk consumption in India is increasing at 3% CAGR as compared to 1% globally.

OPPORTUNITIES & THREATS

Opportunities

- i. There is significant growth happening in Value added products in new channels such as Food Service & HORECA.
- ii. Dairy companies have introduced Innovative longer shelf life products like UHT Milk, Cream, Paneer etc.
- iii. Focus on Retail and Food Service distribution of SMP & Ghee for better pricing
- iv. Innovation on healthy products at an affordable prices
- v. Indian consumer continues to upgrade to better quality and packaged products which is leading to more than 15% growth in the Dairy industry.

Threats

- i. Milk prices are expected to increase during the year 2019-20 due to lower supply of Milk, resulting into higher cost.
- ii. Only 20% of the Milk produced goes to the organized market resulting to huge quality risk for the end consumer.
- iii. The trend of adulterated Ghee continues to plague the market which is a serious health risk for the consumers.

GROWTH OUTLOOK

The Indian economy is the fastest growing major economy and is projected to grow faster in the coming years. However, the economy appears to have slowed down slightly in 2018-19. The proximate factors responsible for this slowdown include declining growth of private consumption, tepid increase in fixed investment and muted exports. There is slowdown of growth in agriculture and sustained growth in industry as well as some challenges.

Headline inflation - measured using the consumer and wholesale price indices - declined in 2018-19 though inflation has firmed up slightly in recent months.

Rapid urbanization has led to a major increase in the demand for packaged/processed foods, favorably impacting the dairy industry in the country. In the era of digitization and increased access to actionable information, the Indian populace is becoming health and product quality conscious, which has led to the improved variety of food products available in the country. The increase in working population is leading to increased demand for convenient healthy and tasty products by the consumers.

The key to success in the dairy industry in India has been largely based on the capacity of a company to gain a share of a consumers' monthly basket. Hence, industry trend has been to focus on providing a gamut of products across price ranges. While pasteurized milk is a volume driven market, value-added products such as Paneer, Cheese, Probiotics, and Flavored milk-based drinks along with flavored yogurts have picked up sales.

Value-added products require high-end infrastructure for manufacture, storage and logistics and are being eyed by several investors. In the quest for gaining visibility, stakeholders in the dairy industry have been investing in packaging to create brand loyalty and awareness. Innovative technologies of packaging are coming into the picture for milk and especially value-added products because of an overall tropical condition of the subcontinent.

UDL is actively exploring entering some of these segments to gain better connect with the consumers.

The expected growth rate for the dairy sector between the periods of 2018 to 2020 is to be 15% will result into many players entering into the India Market.

RISKS & CONCERNS

With the decline in milk prices last year, farmers could not get the remunerative prices leading to reduction in fresh investment for cattle. This will result into lower supply of Milk for 2019-20 and may result into higher prices. The increasing fuel prices may lead to inflationary trend in 2019-20.



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 trainings. Job rotation opportunities are encouraging people to take on new roles and maximize their learning and work experience. "Reward and Recognition" schemes are being 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, Company has established cross Functional Team projects. 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

Internal audit by corporate audit team consisting of Chartered Accountants as well as an external firm of Chartered Accountants is in place and carries out their job at predetermined frequency. Their task is to audit internal control systems, financial transactions and statutory compliances. Findings/ audit reports along with the action taken reports are reviewed by the Audit Committee. The Audit Committee also reviews the effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations.

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

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2019 in the prescribed form MGT -9 is attached as Annexure-1 to this Report and forms part of it.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2019, 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 Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into 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.

The Related Party Transaction Policy approved by the Board is available on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri D.B. Doda retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Shri Manish Bandlish appointed as a Chief Executive Officer of the company w.e.f. 11th June, 2018. Shri C. Venugopal, ceased to be Chief Executive Officer of the Company w.e.f. 31st August 2018.

Shri L. R. Nayak, is the Chief Financial Officer of the Company w.e.f. 1st October, 2018, post the resignation of Shri Diwan Singh.

CORPORATE SOCIAL RESPONSIBILITY

The Company has framed Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made thereunder. During the year Company has spent Rs. 19.07 Lakhs under various CSR activities, higher than the statutory requirement of Rs. 13.90 Lakhs.



A detailed report on Company's CSR activities along with the annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure-2.

AUDITORS

(a) Statutory Auditors and their Report

M/s Singhi & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 24th Annual General Meeting (AGM) held on 27th September 2017 until the conclusion of the 29th AGM to be held in year 2022, subject to ratification of the appointment by the members at the respective AGMs. However, the provision relating to ratification of such appointment by Members at every AGM stands deleted w.e.f. 7th May 2018 by the Companies (Amendment) Act 2018 and accordingly the said ratification is henceforth not required. The observation of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2018-19. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure-3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(c) Cost Auditor and Cost Audit Report

The Cost Audit for the financial year ended 31st March 2018 was conducted by M/s Sanjay Kumar Garg & Associates, Cost Accountants, Delhi and as required Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Cost audit for the financial year ended 31st March 2019, is being conducted by the said firm and the report will be submitted to the Ministry of Corporate Affairs, Government of India.

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

During the financial 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.

CONSERVATION OF ENERGY ETC.

The details as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure-4 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 Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-5. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report, However, in terms of provisions of Section 136 of the said Act, the Report and Accounts are 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 available for inspection at the Registered Office of the Company during working hours.

CORPORATE GOVERNANCE

Corporate Governance - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism:

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 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:

- Particulars of the Four Board Meetings held during the financial year under review.
- 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) Details relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DEPOSITS

The Company has not taken any deposits from the public.

COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards issued under Section 118 of the Companies Act 2013 have been complied with.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, 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 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 : 13th May 2019

D.B. DODA
(Director)

R.C. Periwal
(Director)



ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2019

ANNEXURE-1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2019

[PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT & ADMINISTRATION) RULES, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15111UP1992PLC014942
2.	Registration Date	02.12.1992
3.	Name of the Company	Umang Dairies Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares/Non-Government Company
5.	Address of the Registered office & contact details	Registered office :- Gajraula, Hasanpur Road Gajraula -244235 Dist. Amroha, Uttar Pradesh Ph. No. : (05924) 252491 - 2 Fax No. : (05924) 252495 Email ID: sharesumang@jkmil.com Website: www.umangdairies.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of Registrar and Transfer Agent, if any.	MAS Services Limited T-34, 2nd Floor, Phase- II Okhla Industrial Area New Delhi – 110 020 Ph. No. : (011) 26387281/82/83 Fax No. : (011) 26387384 Email ID : info@masserv.com Website: www.massserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Ghee	10504	34%
2.	Milk powder	10502	64%

* As per National Industrial Classification (2008) – Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
NIL					



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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters**									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	16415734	0	16415734	74.61	16415734	0	16415734	74.61	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	16415734	0	16415734	74.61	16415734	0	16415734	74.61	0
(2) Foreign									
a) NRI -Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	16415734	0	16415734	74.61	16415734	0	16415734	74.61	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	12000	12000	0.05	0	12000	12000	0.05	0.00
b) Banks / FI	11737	3300	15037	0.07	1270	2800	4070	0.02	(0.05)
c) Central Govt	0	0	0	0	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
g) FIs	0	0	0	0	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i) Others	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1):-	11737	15300	27037	0.12	1270	14800	16070	0.07	(0.05)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	432230	30300	462530	2.10	315667	30300	345967	1.57	(0.53)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
** The total shareholding of Promoters at (A) above includes 54,42,769 Equity Shares (24.74%) as on 31.3.2019 pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018. The same does not form part of the Promoters as defined in the Companies Act, 2013.									



Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2933036	1310444	4243480	19.29	3061271	1245131	4306402	19.57	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	631731	0	631731	2.87	705451	0	705451	3.21	0.34
c) Others (specify)									
(i) Non Resident Indians/OCB	94451	0	94451	0.43	147483	0	147483	0.67	0.24
(ii) Clearing Member	108237	0	108237	0.49	66093	0	66093	0.30	(0.19)
(iii) Trust	20000	0	20000	0.09	0	0	0	0.00	(0.09)
Sub-total (B)(2):-	4219685	1340744	5560429	25.27	4295965	1275431	5571396	25.32	0.05
Total Public Shareholding (B)=(B)(1)+(B)(2)	4231422	1356044	5587466	25.39	4297235	1290231	5587466	25.39	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	20647156	1356044	22003200	100	20712969	1290231	22003200	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April 2018)			Shareholding at the end of the year (as on 31 st March 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bengal & Assam Company Ltd.	1,09,72,965	49.87	-	1,09,72,965	49.87	-	-
	Total	1,09,72,965	49.87	-	1,09,72,965	49.87	-	

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

Sl. No.		Shareholding at the beginning of the year (as on 1 st April 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bengal & Assam Company Ltd.				
	At the beginning of the year	1,09,72,965	49.87	1,09,72,965	49.87
	Date wise Increase / Decrease in Promoters Shareholding during the year.	NO CHANGE			
	At the end of the year i.e., 31.03.2019			1,09,72,965	49.87



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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1 st April 2018)		Cumulative Shareholding at the end of the year (31 st March 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Juggilal Kamlatpat Udyog Limited	3850000	17.50	3850000	17.50
2.	Florence Investech Limited	1194965	5.43	1194965	5.43
3.	Accurate Finman Services Limited	397804	1.81	397804	1.81
4.	Rikeen Pradip Dalal	300000	1.36	300000	1.36
5.	Equity Intelligence India Private Limited	99150	0.45	99150	0.45
6.	Vijay Kumar Singh	73450	0.33	73450	0.33
7.	East India Securities Limited	20000	0.09	58000	0.26
8.	Sarwankumar Devidutt Saraf	-	-	53500	0.24
9.	Suresh Dindayal Khatri	47000	0.21	47000	0.21
10.	Rajeshkumar Rameshbhai Prajapati	47000	0.21	47000	0.21

Note: Around 94% of the Shares of the Company are held in dematerialized form and are traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

1. Shri Ratan Chand Jain, Director

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1 st April 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Ratan Chand Jain, Director				
	At the beginning of the year	100	0.0	100	0.0
	Date wise Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e. 31.03.2019			100	0.0

2. Shri Desh Bandhu Doda, Director

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1 st April 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Desh Bandhu Doda, Director				
	At the beginning of the year	50	0.0	50	0.0
	Date wise Increase/Decrease in Shareholding during the year	NO CHANGE			
	At the end of the year i.e. 31.03.2019			50	0.0



NOTE: Smt. Sharda Devi Singhania, Shri Ram Chandra Periwal, Directors of the company and Shri Manish Bandlish, Chief Executive Officer (appointed w.e.f. 11th June 2018) and Shri C. Venugopal, Chief Executive Officer (ceased w.e.f. 31st August 2018) and Shri Diwan Singh, Chief Financial Officer (ceased w.e.f. 30th September 2018) and Shri L.R. Nayak, Chief Financial Officer (appointed w.e.f. 1st October 2018) and Shri Pankaj Kamra, Company Secretary of the company were not holding any shares in the company at the beginning of the year, i.e. as on 1st April 2018 and at the end of the year i.e., as on 31st March 2019 and hence there was no increase/decrease in their shareholding during the year 2018-19.

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,605.76	-	-	4,605.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.75	-	-	7.75
Total (i+ii+iii)	4,613.51	-	-	4,613.51
Change in Indebtedness during the financial year				
• Addition	245.38	-	-	245.38
• Reduction	1,737.99	-	-	1,737.99
Net Change	(1,492.61)	-	-	(1,492.61)
Indebtedness at the end of the financial year				
i) Principal Amount	3,113.15	-	-	3,113.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.05	-	-	10.05
Total (i+ii+iii)	3,123.20	-	-	3,123.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

(₹ in Lakhs)

B. Remuneration to other directors:				
Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Shri Ratan Chand Jain	Shri Ram Chandra Periwal	
	• Fee for attending Board/Committee Meetings	3.50	4.20	7.70
	• Commission	0.50	0.50	1.00
	Total (1)	4.00	4.70	8.70
2.	Other Non-executive Directors	Smt.Sharda Devi Singhania	Shri Desh Bandhu Doda	
	• Fee for attending Board/ Committee Meetings	0.60	4.93	5.53
	• Commission	5.00	0.50	5.50
	Total (2)	5.60	5.43	11.03
	Total (B) = (1+2)			19.73
	Total Managerial Remuneration (A+B)			19.73
	Overall Ceiling as per Act	Rs. 71.65 Lakhs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)		



(₹ in Lakhs)

C.	Remuneration to Key Managerial Personnel Other Than MD/Manager/WTB						
Sl. No.	Particulars of Remuneration	Key Managerial Personnel					
		Shri C. Venugopal, Chief Executive Officer (01.04.2018 to 31.08.2018)	Shri Manish Bandlish, Chief Executive Officer (11.06.2018 to 31.03.2019)	Shri Diwan Singh, Chief Financial Officer (01.04.2018 to 30.09.2018)	Shri L.R. Nayak, Chief Financial Officer (01.10.2018 to 31.03.2019)	Shri Pankaj Kamra, Company Secretary (01.04.2018 to 31.03.2019)	Total
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39.27	105.09	14.07	22.72	8.34	189.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.71	0.32	3.11	-	-	16.14
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option/Sweat Equity/Commission	-	-	-	-	-	-
3	Others; Contribution to Provident Fund and Insurance	1.85	4.43	0.72	0.92	0.41	8.33
	Total	53.83	109.84	17.90	23.64	8.75	213.96

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2019.



CORPORATE SOCIAL RESPONSIBILITY REPORT

I. Company's CSR Philosophy and Belief

Umang Dairies 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.

II. CSR Policy

The Company has been focussing 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. The details of the CSR Policy has been posted on the website of the Company and the web-link for the same is <http://www.umangdairies.com/pdf/CSRPoly.pdf>

III. ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2019

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

The CSR at UDL is focused on creating economic and social well being of the communities around our plant in Gajraula. Milk farming traditionally has been a vital component of the local economy and has been a major source of income for the poor & landless.

The CSR strategy thus identified two key interventions:

- provide services for superior animal breeding & nutritional feeds that generate higher yields per animal and enhanced milk producing life cycle.
- enable formation of women DIGs an intervention that not only creates income opportunities but also empowers them socially.

Specific Highlights in each of the activities are provided below:

Dairy Interest Groups

- 623 DIGs comprising 6357 women and 50 men were formed.
- Villages covered 186.
- 505 DIGs were linked to the banks.
- Members of 505 DIGs were provided with first training on five important aspects of group formation viz., why DIGs, monthly meeting, book keeping, bank & credit linkage & role of DIG leaders.
- 271 SHGs have been credit linked after 1st grading with the banks and 41 DIGs have been credit linked after 2nd grading with the banks.
- Unsecured loan of Rs. 2.53 crore given by the banks to the DIGs till March 2019.

Farmers Club

- 13 farmer clubs have been mobilised and formed in association with NABARD.
- One day orientation programme for the members of farmer clubs.
- Trainings for the members of farmers club for organic cultivation.
- Exposure visit for the members of farmers club for Agri Clinic Agri Business Centre at Moradabad to understand the process vermin compost and organic cultivation.



Healthcare & Sanitation

- Awareness & advocacy meetings with women on sanitation & hygiene routinely undertaken.

2. The Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

- Shri R. C. Periwal (Chairman of the Committee), Independent Director
- Shri R. C. Jain, Independent Director
- Shri D. B. Doda, Non-Independent Director

3. Average Net Profit of the Company for last three financial years: Rs. 695.00 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 13.90 Lakhs.

5. Details of CSR spent during the financial year

- Total amount to be spent for financial year : Rs. 19.07 Lakhs
- Amount unspent, if any : Nil
- Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1	Initiative for Employability & Livelihood enhancement activities (DIG's)	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;	Gajraula, Dist. Amroha, Uttar Pradesh	18.46	18.05	18.05	SPARSH



(₹ in Lakhs)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
2	Miscellaneous Expenses	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;	Gajraula, Dist. Amroha, Uttar Pradesh	0.57	1.02	1.02	SPARSH
Total				19.03	19.07*	19.07	

* An enhanced amount of Rs. 19.07 Lakhs has been spent towards CSR expenditure during the year against the requirement of Rs. 13.90 Lakhs.

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: New Delhi
Date: 13th May 2019

(Shri D. B. Doda)
Director

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



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

*[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 (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, 2019 (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, 2019 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, 2009/2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (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- (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- (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018- (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the company and complied with:-
 - UP Milk Act, 1976
 - UP Milk and Milk Products Order, 1977



- Food Safety and Standards Act, 2006

I have also examined compliance with the applicable clauses of the following:

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement(s) 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, one of whom is an Occupier. 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 – Not applicable during the audit period

Adequate Notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

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 meetings and stated in the Directors Report, 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 has been no specific event except that the Company redeemed residual Zero Coupon Redeemable Preference Shares of Rs.151 lakhs on due date of 30.06.2018.

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. Where ever 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.

Place: New Delhi
Date: 24th April, 2019

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



ANNEXURE-4

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:-

- I. These steps taken on conservation / alternate source of energy
 - a. Further improvement in efficiency of the Turbine power generation by modification of the Turbine nozzles resulting into TG power generation from 33% in 17-18 to 38% in 18-19.
 - b. Higher utilization of cost efficient renewable fuel that has led to reduction in the cost of power and steam despite the fuel inflation.
 - c. Installation of flow meter at Plant Steam line and condensate which resulted in steam and water consumption.
 - d. Increase in condensate recovery by installation of pH sensor and conductivity meter along with diversion valve resulted into upto 63% condensate recover in peak season.

B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:-

Following projects have been initiated, completed and in partly completed during Financial Year 2018-19:-

- a. Continuous Butter Making Machine installed and commissioned during the year resulting into better productivity and manpower reduction.
- b. In Alfa dryer, cyclones are upgraded to reduce the stack losses.
- c. Work in progress for installation of high speed packing machine to reduce packing losses and manpower productivity.

C) RESEARCH & DEVELOPMENT

The Company is actively investing on Developing New Products based on consumer needs:

1. Paneer production is stabilized with higher yield and shelf life extension to 9 months.
2. High yield Skim Milk Powder being developed.
3. Several new products being developed on the basis of customer feedback that will be launched in the test market during H1-2019/20.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo	Nil



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 THE FY 2018-19 ENDED 31ST MARCH 2019:

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company:

Sl. No.	Directors	Ratio to median Remuneration
1.	Shri R.C. Periwal	1.64
2.	Shri D.B. Doda	1.89
3.	Shri R.C. Jain	1.39
4.	Smt. Sharda Devi Singhanian	1.95

- B. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary - Smt. Sharda Devi Singhanian, 366.67%; Sh. R. C. Periwal, 19.75%; Sh. D. B. Doda, 35.96%; Sh. R. C. Jain, 42.86%; Sh. C. Venugopal, Chief Executive Officer, Not Applicable (Ceased w.e.f. 31st August 2018), Sh. Manish Bandlish, Chief Executive Officer, Not Applicable (Appointed w.e.f. 11th June 2018); Sh. L.R. Nayak, Chief Financial Officer, Not Applicable (Appointed w.e.f. 1st October 2018); Sh. Diwan Singh, Chief Financial Officer, Not Applicable (Ceased w.e.f. 30th September 2018) and Sh. Pankaj Kamra, Company Secretary, 10.90%. The Remuneration paid to Directors and KMP is available at para VI of Form MGT-9 annexed to this report.
- C. The percentage increase in the median remuneration of employees: 11.43%
- D. The number of permanent employees on the rolls of Company as on 31st March 2019: 318
- E. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 9% whereas the increase in the managerial remuneration for the same financial year: Not Applicable.
- F. We affirm that the remuneration paid during the year 2018-19 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 : 13th May 2019

D.B. DODA

(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 a 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 practised by its entire management cadre.

2.1 Board of Directors

The Board of Directors presently consists of four Non-Executive Directors of which two are Independent Directors. Details are as given hereunder:

S.No.^	Name of the Director	Category	No. of Board Meetings attended during 2018-19	Whether attended last A.G.M. (19.09.2018)	No. of other Directorships and Committee Memberships/ Chairmanships held in other Companies		
					Other Directorships*	Other Committee Memberships **	Other Committee Chairmanships **
1.	Shri R. C. Periwal Δ	Non-Executive Independent	4	Yes	1	1	-
2.	Shri R.C. Jain Δ	Non-Executive Independent	4	Yes	-	-	-
3.	Shri D. B. Doda	Non- Executive Non-Independent	4	Yes	-	-	-
4.	Smt. Sharda Devi Singhania	Non-Executive Non-Independent	2	No	-	-	-

Δ The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and in the opinion of the Board they fulfil the conditions specified in the Listing Regulations and are independent of the management of the Company.

* excluding Private Ltd. Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

** only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

^ DIN of the above named Directors in seriatim: 1. DIN: 00168904, 2. DIN: 00165590, 3. DIN: 00165518 and 4. DIN: 01685496

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 two out of the four Directors are independent.



2.2 Name of the listed entities where director is a director, other than Umang Dairies Limited:

Shri R.C. Periwal, Smt. Sharda Devi Singhania, Shri R.C. Jain and Shri D.B. Doda, Directors do not hold directorships in any listed entity, other than Umang Dairies Limited.

Date & Number of Board Meetings held

Four Board Meetings were held during the year 2018-19, i.e. on 3rd May 2018, 9th August 2018, 3rd November 2018 and 6th February 2019.

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). 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 Chief Executive Officer (CEO). 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.

3. Separate Meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 6th February 2019. Shri R.C. Periwal was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company 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 familiarization 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: <http://www.umangdairies.com/pdf/Familiarisation%20Programme%20of%20INDs.pdf>

5. Board Skills, Expertise or Competence

The Board of Directors possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations,

research, corporate governance, education, community service or other disciplines.

6. Performance Evaluation

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 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 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 the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual 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 of the meetings of the Board of the Company was evaluated taking into account the views of the 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 Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee presently consists of three Directors, out of which two are Independent Directors and one is Non-Independent Director. Four meetings of the Audit Committee were held during the year 2018 -19 as detailed hereunder:

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



Dates of meetings	No. of members attended
3rd May 2018	3
9th August 2018	3
3rd November 2018	3
6th February 2019	3

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

Name	Status	No. of Meetings attended
Shri R. C. Jain	Member	4
Shri R. C. Periwal	Member	4
Shri D.B. Doda	Member	4

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

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

8.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently consists of three Directors out of which two are Non Executive Independent Directors namely Shri R.C. Periwal and Shri R.C. Jain, and one is Non-Executive Non-Independent Director namely Shri D.B. Doda. The Composition and the terms of reference of the committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Three meeting of the Nomination and Remuneration Committee were held during the year 2018-19 as detailed hereunder:

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

Dates of meetings	No. of members attended
3rd May 2018	3
9th August 2018	3
6th February 2019	3

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

Name	Status	No. of Meetings attended
Shri R.C. Jain	Member	3

Shri R.C. Periwal	Member	3
Shri D.B. Doda	Member	3

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 Director to be the Chairman of the meeting.

8.2 Nomination and Remuneration Policy

In accordance with the provisions of the Companies Act 2013 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, independence of a Director as well as a policy on Board Diversity. The said policy has been revised by the Nomination and Remuneration Committee of the Company and is available at the website of the Company and the weblink is www.umangdairies.com. The said policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as 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 Independent Director as per the applicable laws & regulations. (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 and senior management 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 Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (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.

8.3 Remuneration Paid to the Directors

The Company has paid sitting fees aggregating to Rs. 13.23 Lacs 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 2018-19. In addition to sitting fees, commission of Rs.5 lacs is payable to Smt. Sharda Devi Singhania and Rs.0.50 lacs each to Shri R.C. Periwal, Shri R.C. Jain and Shri D.B. Doda, subject to approval of the Shareholders as per SEBI listing Regulations. Number of Equity Shares of Rs. 5/- each of the Company held by Non-Executive Directors: Shri D.B. Doda (50 Equity Shares) and Shri R.C. Jain (100 Equity Shares).

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

9. Stakeholders' Relationship Committee

The Committee presently consists of three directors namely Shri R.C. Periwal (Chairman), Shri R.C. Jain and Shri D.B. Doda. The Composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, as amended.

Four meetings of the said Committee were held during the year 2018-19 as detailed here under:

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

Dates of meetings	No. of members attended
3rd May 2018	3
9th August 2018	3
3rd November 2018	3
6th February 2019	3

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

Name	Status	No. of Meetings attended
Shri R. C. Periwal	Chairman	4
Shri R. C. Jain	Member	4
Shri D.B. Doda	Member	4

Shri Pankaj Kamra, Company Secretary, is the Compliance Officer.

Three investor complaints were received during the financial year ended 31st March 2019, all of which were promptly resolved to the satisfaction of the investor concerned.

The Board had delegated the power of share transfer to Share Transfer Committee of Directors, which approves registration of transfer and transmission of shares in physical mode as and when required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the year ended 31st March, 2019, 35 meetings of the said Share Transfer Committee of Directors were held.

10. General Body Meetings

- (i) Location and time for last three Annual General Meetings were:

Year	Location	Date	Time
2015-2016	Gajraula Hasanpur Road Gajraula - 244235 Distt. Amroha, Uttar Pradesh	21.09.2016	11.30 A.M.
2016-2017	Same as above	27.09.2017	11.30 A.M.
2017-2018	Same as above	19.09.2018	11.30 A.M.

- (ii) No Special Resolutions were required to be put through postal ballot last year.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

- (iii) Special Resolutions passed in previous 3 Annual General Meetings:

- (a) Special Resolution was passed at the last



Annual General Meeting of the Company held on 19th September 2018.

- (i) Continuation of Smt. Sharda Devi Singhania (DIN: 01685496) to be a Non-Executive Director of the Company.
- (ii) Continuation of Shri R.C. Periwal (DIN: 00168904) to be a Non-Executive Independent Director of the Company.
- (b) Special Resolution was passed at the Annual General Meeting of the Company held on 27th September 2017.
 - (i) to authorize the Board of Directors to borrow money upto an amount not exceeding Rs. 100 Crores.
 - (ii) to authorize the Board of Directors to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding Rs. 100 Crores.
- (c) Special Resolution was passed at the Annual General Meeting of the Company held on 21st September 2016.
 - (i) Re-appointment of Shri R. C. Jain (DIN: 00165590), as an Independent Director, for a further term of five consecutive years.

11. 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

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on dealing with Related Party Transactions and also on the materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.umangdairies.com/pdf/RelatedPartyTransactionPolicy.pdf>

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

- (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/

the 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: Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up a Complaint Committee at its work place(s) to redress the complaints of women employees and requisite disclosures in relation thereto are as under:
 - a. Number of complaints filed during the financial year: NIL
 - b. Number of complaints disposed of during the financial year: NIL
 - c. Number of complaints pending as on end of the financial year: NIL
- (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 that executive management controls risk through means of a properly defined framework.
- (vi) Disclosure of commodity price risks and commodity hedging activities: The Company is not subject to commodity price risk and therefore was not required to undertake any commodity hedging activities in this regard.
- (vii) 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 SEBI/ Ministry of Corporate Affairs or any such statutory authority.
- (viii) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended 31st March 2019.



(ix) During the Financial Year ended 31st March 2019, the Company has paid total fees for various services including statutory audit, amounting to Rs. 5.35 lacs, to the Statutory Auditor, namely M/s Singhi & Co., Chartered Accountants and all entities in the network firm/network entity of which the statutory auditor is a part.

(x) **Subsidiary Companies:** During the year, the Company did not have any subsidiary.

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 is <http://www.umangdairies.com/pdf/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

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

(xi) **Corporate Social Responsibility Committee:** The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of three Directors out of which two are Independent Directors. The composition and role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31st March 2019 i.e., on 3rd May 2018 and 6th February 2019.

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

Name	Status	No. of Meetings attended
Shri R. C. Periwal	Chairman	2
Shri R. C. Jain	Member	2
Shri D.B. Doda	Member	2

12. Means of Communication: Quarterly, half yearly and annual financial results are normally published in English Newspaper Business Standard/Mint and Business Standard, Lucknow Edition, Hindustan Moradabad in Hindi and are promptly furnished to the Stock Exchange for display on their respective websites. The results are

also displayed on the website of the company "www.umangdairies.com". 'Management Discussion & Analysis' forms part of the Annual Report.

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

13. General Shareholders' Information:

(i) Annual General Meeting (AGM):

- (a) Date and Time : 19th September 2019
 Venue : Gajraula Hasanpur Road,
 Gajraula – 244 235
 Distt. Amroha, Uttar Pradesh
- (b) A brief resume and other particulars of Director(s) seeking re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting

- (ii) **Book Closure** : 13th September 2019 to
 19th September 2019
 (both days inclusive)

(iii) Dividend

Payment Date : Within three weeks from AGM

(iv) Financial

Calendar : Year Ending March 31
 Annual General Meeting for the year ending September 2020
 March 31, 2020

(v) 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
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The annual listing fee for the financial year 2019-20 has been paid to both the aforesaid Stock Exchanges.



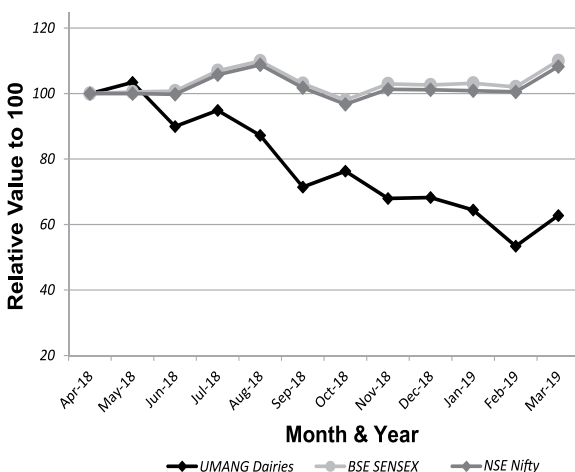
(vi) Stock Market Price Data:

Month	Stock Market Price on BSE Limited (BSE)			Stock Market Price on National Stock Exchange of India Ltd. (NSE)		
	High(₹)	Low(₹)	Closing price of BSE Sensex (₹)	High(₹)	Low(₹)	Closing Price of NSE Nifty (₹)
2018						
April	95.10	74.45	35160.36	95.50	74.70	10739.35
May	97.60	84.80	35322.38	99.90	84.50	10736.15
June	89.20	73.05	35423.48	89.90	72.55	10714.30
July	84.70	73.10	37606.58	84.70	73.70	11356.50
August	92.40	72.50	38645.07	92.95	71.55	11680.50
September	81.95	60.80	36227.14	82.20	60.05	10930.45
October	68.00	54.50	34442.05	67.50	54.30	10386.60
November	74.60	58.50	36194.30	73.50	57.75	10876.75
December	62.25	54.15	36068.33	62.40	53.20	10862.55
2019						
January	65.00	51.00	36256.69	64.70	50.75	10830.95
February	57.00	44.05	35867.44	58.05	44.70	10792.50
March	61.00	46.60	38672.91	60.95	46.45	11623.90

(Source : www.bseindia.com)

(Source: www.nseindia.com)

(vii) Umang Dairies Ltd.'s Share Performance vs. BSE Sensex and NSE Nifty (April 2018 to March 2019)



(viii) Dematerialisation of shares and liquidity:

The Equity Shares of the Company are presently tradable in compulsory demat segment. The ISIN No. for Equity Shares of the Company for both the depositories is INE864B01027. As on 31st March 2019, 94.14% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in electronic 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.

(ix) Share Transfer System:

The transmission of shares in physical form is normally processed and completed within 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants. Pursuant to SEBI notification dt. 30th November 2018 read with Regulation 40 of Listing Regulations except in case of transmission or



transposition of securities, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository.

(x) (a) Distribution Equity of shareholding (both in physical and electronic form) as on 31st March, 2019:

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	19737	93.79	2383156	10.83
501 to 1,000	660	3.14	550635	2.50
1,001 to 5,000	556	2.64	1172046	5.33
5,001 to 10,000	56	0.27	395330	1.80
Over 10,000	35	0.16	17502033	79.54
Total	21044	100.00	22003200	100.00

(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March, 2019:

Category	No. of Equity Shares held	Percentage of Share holding
Domestic Companies	16761701	76.18
Resident Individuals & Trusts	5077946	23.08
FIs, Mutual Funds, Banks/NBFCs	16070	0.07
Foreign Investors/ FIIs / NRIs	147483	0.67
Total	22003200	100

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

There are no outstanding GDRs/ ADRs/ Warrants or any other Convertible Instruments. As such there will be no impact on the equity.

(xii) 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.

(xiii) Plant locations:

Umang Dairies Limited

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

(xiv) Address for Correspondence for

Share Transfer and related matters:

1. Registrar & Share Transfer Agents:

MAS Services Ltd.
T-34, IInd Floor, Okhla Industrial Area
Phase – II, New Delhi – 110 020
Ph. 011-26387281/82
E-mail: info@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- 3017977,
Fax No. 011- 23739475
E-mail: csudl@jkmil.com
Website: www.umangdairies.com

(xv) List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2019:

During the year under review, ICRA Limited has maintained the Credit Rating in respect of Company's Long Term and Short Term Bank Facilities at [ICRA]BBB-. The Outlook on the long term rating is Stable.

(xvi) This Corporate Governance Report of the Company for the financial year ended 31st March 2019 are in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xvii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) Shareholder Rights: Half-yearly and other quarterly financial statements 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 financial statements of the Company for the year ended 31st March 2019 are with unmodified audit opinion; (c) Separate posts of Chairperson and CEO: 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 and Sh. Manish Bandish is the CEO of the Company; and (d) Reporting of Internal Auditor: Internal Auditor of the Company reports to the Audit Committee and Internal Audit Reports are placed before the Audit Committee.

(xviii) 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.



**(xix) Disclosure with respect to demat suspense account/
unclaimed suspense account**

The Company does not have any amount lying with respect to demat suspense account/unclaimed suspense account.

14. 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 2019.

Manish Bandlish
Chief Executive Officer

15. Code for Prevention of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, 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.



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Umang Dairies Limited,

We have examined the compliance of conditions of Corporate Governance by Umang Dairies Limited ('the Company'), for the year ended March 31, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance, issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

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

**B. K. Sipani
Partner
Membership No. 0088926**

Place: New Delhi

Date: 13th May, 2019

FINANCIAL SECTION





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 Ltd. ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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, 2019, its profit including other comprehensive income, the changes in equity and its cash flows 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 obtained by us 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 of the current period. 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S.N.	Key Audit Matter	Auditor's Response
1.	Revenue Recognition For the financial year ended 31 March, 2019, the Company has recorded revenue amounting to Rs. 22465.03 Lakhs. The accounting policies for revenue recognition are set out in Note 1 to the financial statements and the different revenue streams of the Company have been disclosed in Note 23 to the financial statements. We have identified sales cut-off to be significant because of the high volume of transactions and the varying sales, contractual and shipping terms. Revenue recognition is susceptible to the higher risk that the revenue is recognised when the control of goods has not been transferred to the customers.	How our audit addressed the key audit matter: We assessed the overall sales process and the relevant systems and the design of controls over the capture and recording of revenue transactions. We have tested the effectiveness of controls on the processes related to revenue recognition relevant to our audit. We performed sample testing on revenue and checked that the revenue recognition criteria are appropriately applied. We have also performed cut-off tests to ensure the Company has complied with proper cut-off procedures and revenue is recognised in the appropriate accounting period. Our Observation: We found the Company's revenue recognition to be consistent with its accounting policy as disclosed in Note 1 to the financial statements. We are satisfied that the Company's revenue has been appropriately recognised and in the relevant accounting period.



2.	Valuation of trade receivables We refer to Note 1 and Note 7 to the financial statements. As disclosed in Notes to the financial statements, the Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. The carrying amount of trade receivables of the Company was Rs.1119.25 Lakhs as at March 31, 2019. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.	How our audit addressed the key audit matter: We obtained an understanding of the Company's credit policy for trade receivables and evaluated the processes for identifying credit loss indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy and appropriateness of the allowance for credit losses recorded by the company and reviewed the supporting documents provided by management in relation to their assessment. Our Observation: Based on our audit procedures performed, we found management's assessment of expected credit loss and recoverability of trade receivables to be reasonable and the disclosures to be appropriate.
3.	Valuation of Inventories We refer to Note 6 and 1 to the financial statements. As at March 31, 2019, the total carrying amount of inventories was Rs. 3146.66 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. 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.	How our audit addressed the key audit matter: 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 key 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. Our Observations: We found management's assessment of the allowance for inventory obsolescence and valuation of inventories to be reasonable based on available evidence.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditors' 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. We have nothing to report in this regard.



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 Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The 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 Companies Act 2013, 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.

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, 2016 ("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 statements on the matters specified in the 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, the Statement of Changes in Equity and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013.
 - (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such

controls, refer to our separate Report in "Annexure B" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 32 to the financial statements;
 - ii. The Company did not have material foreseeable losses in long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Place: New Delhi
Date: 13th May, 2019**

**B. K. Sipani
Partner
Membership No. 088926**



Annexure-A

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Umang Dairies Limited)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment except in case of certain assets where the same is in process of updation.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its property, plant and equipment. In accordance with this programme, property, plant and equipment were not physically verified during the year.
- (c) According to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventories except stock in transit during the year at reasonable interval and material discrepancies noticed on such physical verification have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii) of the Order are not applicable.
- (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. Therefore, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits covered under section 73-76 of the Companies Act 2013 during the year. Therefore, the 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, however, not 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, the Company is generally regular in depositing undisputed

statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Goods and Service Tax, Sales-tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. There was 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 of Rs. 6.23 Lakhs.

- (b). According to the records of the Company there are no dues outstanding on account of Income-tax, Sales-tax, Value Added Tax, Service Tax, Duty of customs, Duty of excise and Cess on account of any dispute except the followings:

Name of Statute	Nature of dues	Amount Rs. in Lakhs	Period	Forum where dispute is pending
Sales-tax Act	Sales Tax Demand/ Penalty/ Interest	1.78	1994-95 / 1998-2000	Sales tax Tribunal
		40.65	1995-2007	Appellate Authorities
		3.00	1995-96	High Court
		41.74	2010-2015	Appellate Authorities
Income Tax Act, 1961	Disallowances of Income Tax	901.45	2011-12 to 2013-14	CIT Appeals

- (viii) The Company has not defaulted in repayment of dues to bank. The Company did not have any borrowing from any financial institution or Government and dues to debenture holders.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.
- (x) 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, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given by the management transaction with related parties are in



compliance with sections 177 and 188 of the Companies Act, 2013 wherever applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given by the management , the Company has not entered into non-cash transactions with directors or persons connected with

directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: New Delhi
Date: 13th May, 2019

B. K. Sipani
Partner
Membership No. 088926



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

We have audited the internal financial controls with reference to financial statements of Umang Dairies Limited ("the Company") as of March 31, 2019 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 financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of 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 authorization 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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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, however same need to be further strengthened.

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

B. K. Sipani
Partner
Membership No.088926

Place: New Delhi
Date: 13 May, 2019



BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lakhs, unless stated otherwise)

S.No.	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
A	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	7,400.49	7,072.35
	(b) Capital work-in-progress		349.61	434.80
	(c) Other Intangible Assets	3	21.82	25.62
	(d) Financial Assets			
	(i) Other Financial Assets	4	63.71	63.63
	(e) Other non-current assets	5	81.61	48.69
	Sub Total		7,917.24	7,645.09
(2)	Current Assets			
	(a) Inventories	6	3,146.66	3,718.06
	(b) Financial Assets			
	(i) Trade receivables	7	1,119.25	1,241.85
	(ii) Cash and cash equivalents	8	33.17	39.69
	(iii) Other Bank Balances other than (ii) above	9	43.64	39.32
	(iv) Other Financial Assets	10	21.08	17.88
	(c) Current Tax Assets (Net)		406.16	421.54
	(d) Other current assets	11	162.26	197.90
	Sub Total		4,932.22	5,676.24
	TOTAL ASSETS		12,849.46	13,321.33
B	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share Capital	12	1,100.16	1,100.16
	(b) Other Equity		4,633.24	4,192.80
	Sub Total		5,733.40	5,292.96
(2)	LIABILITIES			
(i)	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	13	500.03	797.25
	(ii) Other Financial Liabilities	14	11.00	11.00
	(b) Provisions	15	207.33	180.94
	(c) Deferred tax liabilities (Net)	16	762.99	733.04
	(d) Other non-current liabilities	17	971.06	974.01
	Sub Total		2,452.41	2,696.24
(ii)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	2,126.12	3,348.25
	(ii) Trade payables			
	Total Outstanding Dues of Micro and Small Enterprises	19	-	-
	Total Outstanding Dues of Creditors other than Micro and Small Enterprises	19	1,028.20	722.16
	(iii) Other Financial Liabilities	20	1,204.88	997.21
	(b) Other current liabilities	21	297.83	258.53
	(c) Provisions	22	6.62	5.98
	Sub Total		4,663.65	5,332.13
	TOTAL EQUITY AND LIABILITIES		12,849.46	13,321.33

Significant Accounting Policies and other notes on financial statements 1-41
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Firm's Reg No. 302049E

B. K. Sipani
Partner

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

Sharda Devi Singhania
(Director)

M.No. 088926
New Delhi, the 13th day of May, 2019

Pankaj Kamra
(Company Secretary)

Manish Bandlish
(Chief Executive Officer)

L.R. Nayak
(Chief Financial Officer)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs, unless stated otherwise)

S. No.	Particulars	Note No.	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
I.	Revenue from operations	23	22,465.03	24,528.54
II.	Other income	24	111.95	47.47
III.	Total Income (I+II)		22,576.98	24,576.01
IV.	Expenses			
	Cost of materials consumed	25	13,583.30	16,349.07
	Change in inventories of finished goods and work-in-progress	26	314.24	349.16
	Excise duty		-	0.12
	Employee benefits expense	27	2,293.90	2,180.93
	Finance costs	28	402.97	373.74
	Depreciation and amortization expense		358.98	358.95
	Other expenses	29	4,969.85	4,353.60
	Total Expenses (IV)		21,923.24	23,965.57
V.	Profit before tax (III-IV)		653.74	610.44
VI.	Tax Expense			
	(1) Current Tax	30	120.00	115.56
	(2a) Deferred Tax	16	48.36	93.12
	(2b) MAT Credit Entitlement		(19.23)	(125.30)
VII.	Profit for the year (V-VI)		504.61	527.06
VIII.	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss:			
	Re-measurement Gain/(Losses) on defined benefit plans		2.95	12.94
	Tax on above		(0.82)	(4.28)
	Total Other Comprehensive Income		2.13	8.66
IX.	Total Comprehensive Income for the Year (VII+VIII)		506.74	535.72
X.	Earnings per equity share of Rs. 5 each			
	Basic and Diluted	31	2.29	2.40

Significant Accounting Policies and other notes on financial statements 1-41
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

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

B. K. Sipani
Partner

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

Sharda Devi Singhania
(Director)

M.No. 088926
New Delhi, the 13th day of May, 2019

Pankaj Kamra
(Company Secretary)

Manish Bandlish
(Chief Executive Officer)

L.R. Nayak
(Chief Financial Officer)

For and on behalf of the Board of Directors



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs, unless stated otherwise)

A Share Capital					
Particulars	As at 01.04.2017	Changes in equity share capital during the year	As at 31.03.2018	Changes in equity share capital during the year	As at 31.03.2019
Equity Shares - 2,20,03,200 of Rs. 5 each fully paid up	1,100.16	-	1,100.16	-	1,100.16
Balance at the end of the year	1,100.16	-	1,100.16	-	1,100.16

B Other Equity

Particulars	Capital Redemption Reserve	Retained Earnings		Other Comprehensive Income	Total Other Equity
		General Reserve	Surplus in Statement of Profit & Loss	Remeasure- ment of defined benefit plans	
As at 31st March, 2017	208.00	500.00	2,958.15	(9.06)	3,657.08
Profit for the year	-	-	527.06	-	527.06
Other comprehensive income (Net of Taxes)	-	-	-	8.66	8.66
Transfer to General Reserve	-	50.00	(50.00)	-	-
Transfer to Capital Redemption Reserve	151.00	-	(151.00)	-	-
As at 31st March, 2018	359.00	550.00	3,284.21	(0.40)	4,192.80
Profit for the year	-	-	504.62	-	504.61
Other comprehensive income (Net of Taxes)	-	-	-	2.13	2.13
Dividend paid including Dividend Distribution Tax	-	-	(66.32)	-	(66.32)
Transfer to General Reserve	-	50.00	(50.00)	-	-
As at 31st March, 2019	359.00	600.00	3,672.50	1.73	4,633.24

Capital Redemption Reserve: It represents the redemption of Preference Shares (including during the year) 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 are mainly includes fair value gain on property, plant s & equipments and other adjustments on adoption of IND-AS as on April 1, 2016 and profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

Firm's Reg No. 302049E

B. K. Sipani
Partner

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

Sharda Devi Singhanian
(Director)

M.No. 088926
New Delhi, the 13th day of May, 2019

Pankaj Kamra
(Company Secretary)

Manish Bandlish
(Chief Executive Officer)

L.R. Nayak
(Chief Financial Officer)



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakhs, unless stated otherwise)

S. No.	Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.	Cash Flow from Operating Activities		
	Profit Before Tax	653.74	610.44
	Adjustments for :		
	Depreciation	358.98	358.95
	Interest income	(57.53)	(19.74)
	Allowances for credit losses	22.49	-
	Finance Costs	402.97	373.74
	Net Profit on sale of property, plant and equipment	(3.08)	(0.13)
	Operating Profit before working capital changes	1,377.57	1,323.26
	(Increase)/ Decrease in Inventories	571.40	205.00
	(Increase) / Decrease in Trade and Other Receivables	136.31	(837.99)
	Increase/ (Decrease) in Trade and Other Payables	626.84	(1,081.89)
	Cash Generated from Operations	2,712.11	(391.62)
	Net Direct Tax Paid	(104.63)	(138.37)
	Net Cash from Operating Activities	2,607.49	(529.99)
B.	Cash Flow from Investing Activities		
	Purchase of property, plant and equipment	(697.95)	(704.28)
	Proceeds from sale of property, plant and equipment	8.41	0.22
	Interest Received	53.70	19.46
	Net Cash from Investing Activities	(635.84)	(684.60)
C.	Cash Flow from Financing Activities		
	Redemption of Preference Share	(151.00)	-
	Dividend Paid (including Dividend Distribution Tax)	(66.32)	-
	Proceed from Long term borrowings	240.79	513.50
	Repayment of Long term borrowings	(387.47)	(500.04)
	Proceeds/(Repayment) of Short term borrowings (Net)	(1,222.13)	1,576.61
	Finance Costs paid	(392.04)	(380.68)
	Net Cash from Financing Activities	(1,978.17)	1,209.39
	Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(6.52)	(5.20)
	Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year	39.69	44.89
	Cash and Cash equivalents being Cash and Bank balances (Refer Note No. 8)	33.17	39.69

As per our Report of even date attached.

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

B. K. Sipani
Partner

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

Sharda Devi Singhania
(Director)

M.No. 088926
New Delhi, the 13th day of May, 2019

Pankaj Kamra
(Company Secretary)

Manish Bandlish
(Chief Executive Officer)

L.R. Nayak
(Chief Financial Officer)



NOTES TO THE FINANCIAL STATEMENTS

1 Significant Accounting Policies

I. The Company Overview

Umang Dairies Limited ("the Company") is a public limited Company incorporated and domiciled in India and its shares are publicly traded 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 Dist., Amroha, Uttar Pradesh, India. The Company is engaged in the business of dairy products.

These financial statements were approved and adopted by Board of Directors of the Company in their meeting held on 13th May, 2019.

II. Basis of preparation 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 relevant provisions of the Companies Act, 2013.

(ii) Basis of preparation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in INR and all values are rounded to the nearest INR Lakhs, except when otherwise indicated.

(iii) 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.

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.

(iv) 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 assets/liabilities are treated as current when it is:

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

III. Significant Accounting Policies

(i) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. The specific recognition criteria described below also be complied with before revenue is recognized.

Sale of goods and Conversion Income

Revenue from the sale of goods and conversion income are recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of



the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of conversion income, in the period in which such services are rendered.

The Company operates a loyalty programme where customers accumulate coupons for purchases made which entitle them to redeem on future date. Revenue related to the coupon scheme is deferred and recognised when the coupons are redeemed. The amount of revenue is based on the number of coupons redeemed relative to the total number expected to be redeemed.

Interest Income

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

Dividend Income

Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the same.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade and Stores & Spares are valued at the lower of cost and net realizable value except scrap/waste which are valued at net realizable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(iii) 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.

(iv) Property, Plant and Equipment (PPE)

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its

intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition.

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.

(v) 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.

(vi) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(vii) 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.

(viii) 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.

(ix) 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.

(x) 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.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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."

(xv) 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.

(xvi) 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.

(xvii) 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.

(xviii) 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.

(xix) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded



to the nearest Lakhs, unless otherwise indicated.

(xx) Standards issued but not yet effective

The amendments to Standards /New Standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116

Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019.

Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition

approach.

Amendment to Ind AS 19

Employees Benefits: Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs;

- (a) issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.
- (b) has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements

Ind AS 23 – Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, than that borrowing becomes part of the general borrowings for calculating the future capitalisation rate. The Company does not expect any significant impact from this amendment.



Notes to the financial statements 2. Property, Plant and Equipment

(Rs. in Lakhs, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2018	Additions	Deletions	As at 31 March 2019	As at 31 March 2018	For the Year	Deletions	As at 31 March 2019
Tangible Assets								
Freehold land	1,640.18	-	-	1,640.18	-	-	-	1,640.18
Building	1,631.63	36.34	-	1,667.96	130.03	75.97	-	1,461.98
Roads	21.26	44.43	-	65.69	6.16	9.87	-	49.66
Plant and equipment	4,099.22	553.78	-	4,653.00	482.04	211.03	-	3,959.93
Electrical Installation	163.13	3.45	-	166.58	25.64	18.03	-	122.91
Pipeline & Fittings	2.03	-	-	2.03	0.40	0.20	-	1.43
Furniture and fixtures	22.98	1.54	-	24.52	1.83	2.26	-	20.43
Vehicles	93.47	37.50	7.24	123.73	16.05	15.53	1.91	94.06
Office equipments and Computers	87.00	8.60	-	95.60	26.39	19.30	-	49.91
Total	7,760.90	685.64	7.24	8,439.30	688.54	352.18	1.91	7,400.49
								7,072.35

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2017	Additions	Deletions	As at 31 March 2018	As at 31 March 2017	For the Year	Deletions	As at 31 March 2018
Tangible Assets								
Freehold land	1,640.18	-	-	1,640.18	-	-	-	1,640.18
Building	1,573.58	58.04	-	1,631.62	61.50	68.53	-	1,501.60
Roads	21.25	-	-	21.25	2.30	3.86	-	15.09
Plant and equipment	3,979.88	119.62	0.29	4,099.21	246.72	235.53	0.21	3,617.17
Electrical Installation	128.85	34.28	-	163.13	9.14	16.50	-	137.49
Pipeline & Fittings	2.03	-	-	2.03	0.20	0.20	-	1.63
Furniture and fixtures	5.23	17.75	-	22.98	0.48	1.35	-	21.15
Vehicles	79.18	14.30	-	93.48	5.71	10.34	-	77.42
Office equipments and Computers	66.68	20.32	-	87.00	9.70	16.69	-	60.61
Total	7,496.88	264.30	0.29	7,760.89	335.75	353.00	0.21	7,072.35
								7,161.12

Notes

Property, Plant & Equipments given as security for borrowings (Refer Note no 13)

Notes to the financial statements

3. Other Intangible Assets

(Rs. in Lakhs, unless stated otherwise)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2018	Additions	Deletions	As at 31 March 2018	For the Year	Deletions	As at 31 March 2019	As at 31 March 2018
Intangible Assets								
Computer Software	33.21	3.00	-	7.59	6.80	-	14.39	25.62
Total	33.21	3.00	-	7.59	6.80	-	14.39	25.62

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 31 March 2017	Additions	Deletions	As at 31 March 2017	For the Year	Deletions	As at 31 March 2018	As at 31 March 2017
Intangible Assets								
Computer Software	22.97	10.24	-	1.64	5.95	-	7.59	21.33
Total	22.97	10.24	-	1.64	5.95	-	7.59	21.33





Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31 st March' 2019	As at 31 st March' 2018
4. Other Non-Current Financial Assets		
Unsecured, Considered Good		
Security Deposits	62.49	62.49
Fixed Deposit with interest accrued thereon	1.22	1.14
Total	63.71	63.63
5. Other Non Current Assets		
Unsecured, Considered Good		
Capital Advances	80.04	47.12
Others	1.57	1.57
Total	81.61	48.69
6. Inventories		
(Valued at Cost or Net Realizable Value, whichever is lower)		
Raw Materials	26.81	101.27
(including Goods in transit Rs Nil (Previous year Rs 58.65 Lakhs)		
Work-in-Progress - Semi Processed Milk	152.55	93.45
Finished Goods	2,505.32	2,878.37
Stores and Spares & Packing Material	461.98	644.97
Total	3,146.66	3,718.06

6.1 During the year, an amount of Rs 53.08 Lakhs (Previous year Rs 77.52 Lakhs) was recognised as expense for inventories carried at net realisable value & provision for slow & non moving inventories.

Inventories are hypothecated to secure borrowings. Refer to Note 18.

7. Trade Receivables

Unsecured

Considered Good	1,119.25	1,241.85
Have significant increase in credit risk	-	-
Credit Impaired	22.49	3.97
	1,141.74	1,245.82
Less:- Allowance for Credit Losses	(22.49)	(3.97)
Total	1,119.25	1,241.85

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

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

7.3 Trade Receivables are hypothecated to secure borrowings. Refer to Note 18.



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31 st March' 2019	As at 31 st March' 2018
8. Cash & Cash Equivalents		
Balance with bank in Current accounts	28.26	32.21
Cheques on hand	2.54	-
Cash on hand	2.37	7.48
Total	33.17	39.69
9. Other Bank Balances		
Earmarked balances		
Unclaimed Dividend Accounts	38.94	34.62
Fixed deposits with maturity more than 3 months but less than 12 months (pledged with sales tax department)	4.70	4.70
Total	43.64	39.32
10. Other Current Financial Assets		
Unsecured, Considered Good		
Interest Receivable	9.65	5.81
Incentive receivable from Government	6.47	6.61
Others	4.96	5.46
Total	21.08	17.88
11. Other Current Assets		
Unsecured, Considered Good		
Advances recoverable	90.68	128.33
Prepaid expenses	21.38	26.34
Indirect Tax Recoverable	18.69	16.96
Conversion income accrued but not billed	30.71	26.21
Others	0.80	0.06
Unsecured, Considered doubtful		
Others	3.49	3.49
Less: Allowance for doubtful loans and advances	(3.49)	(3.49)
Total	162.26	197.90
12. Equity Share Capital		
Authorised		
3,00,00,000 (Previous Year : 3,00,00,000) Equity Shares of Rs. 5 each	1,500.00	1,500.00
6,00,00,000 (Previous Year : 6,00,00,000) Redeemable Preference shares of Rs. 100 each	600.00	600.00
Total	2,100.00	2,100.00
Issued, Subscribed and Paid-up (a)		
2,20,03,200 (Previous Year : 2,20,03,200) Equity Shares of Rs. 5 each	1,100.16	1,100.16
Total	1,100.16	1,100.16

(a) The Company has also issued NIL (Previous year 1,51,000) zero coupon redeemable preference shares of Rs. 100 each in earlier years and the same are disclosed under "Current Financial Liabilities" (Refer Note 20).



Notes to the financial statements

Notes:

(a) Reconciliation of the number of shares outstanding

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Equity Shares Nos	Preference Shares Nos	Equity Shares Nos	Preference Shares Nos
Shares outstanding at the beginning of the year	2,20,03,200	1,51,000	2,20,03,200	1,51,000
Shares Issued during the year	-	-	-	-
Shares bought back/redeemed during the year	-	1,51,000	-	-
Shares outstanding at the end of the year	2,20,03,200	-	2,20,03,200	1,51,000

(b) Terms Rights and preferences attached to Equity Shares:

The Company has only one class of Equity Shares having face value of Rs. 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.

(c) Rights and preferences attached to Preference Shares:

Pursuant to BIFR Order, 2,08,000 Preference Shares were redeemed on 20.10.2016 and balance 1,51,000 Preference Shares are redeemable on 30.06.2018. Each shareholder of preference shares is entitled to have a right to vote only on resolutions placed before the company which directly affect the rights attached to his/her preference shares and in proportion as paid up preference share capital bears to the total paid up capital. On liquidation the preference shares have preferential right to receive the preference share capital, but not in the distribution of surplus. During the year all preference shares were redeemed.

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

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	Percentage	Number of shares	Percentage
Equity Shareholders				
Bengal & Assam Company Ltd.	1,09,72,965	49.87%	1,09,72,965	49.87%
Juggilal Kamplapat Udyog Ltd.	38,50,000	17.50%	38,50,000	17.50%
Florence Investech Ltd.	11,94,965	5.43%	11,94,965	5.43%
Preference Shareholders				
T.K. Ruby & Co.	-	-	40,000	26.49%
Accurate Finman Services Ltd.	-	-	80,000	52.98%
Samji Raishi Karia	-	-	26,000	17.22%



Notes to the financial statements

(Rs. in Lakhs)

Particulars	As at 31st March' 2019	As at 31st March' 2018
13. Non Current Borrowings		
Secured Loans		
Term Loans - Banks	919.35	1,071.60
Vehicle Loan	68.08	51.75
Total	987.43	1,123.35
Less : Current maturities of long term borrowings		
Term Loans - Banks	467.52	312.47
Vehicle Loan	19.88	13.63
Total	487.40	326.10
Total	500.03	797.25
(a) Term Loan of Rs 286.72 Lakhs (Previous Year : Rs. 568.11 Lakhs) from Bank 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 installments of Rs.71.88 Lakhs commencing from June,2016. (b) Term Loan of Rs NIL (Previous Year : 8.15 Lakhs) from Bank 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 installments of Rs. 29.15 Lakhs commencing from July,2016. (c) Term Loan of Rs. 475.17 Lakhs (Previous Year : 495.34 Lakhs) from Bank 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 16 quarterly installments of Rs. 20.00 Lakhs and 8 quarterly installments of Rs. 22.50 Lakhs commencing from December, 2018. (d) Term Loan of Rs 157.46 Lakhs (Previous Year : NIL) from Bank 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 installments of Rs. 25 Lakhs commencing from December 2018. (e) Vehicle Loan of Rs. 38.14 Lakhs (Previous Year : 51.75 Lakhs) from NBFC is secured by way of hypothecation of vehicle purchased thereunder. Loan is repayable in different equal monthly installments including interest, for different loan taken on different rates. (f) Vehicle Loan of Rs. 29.94 Lakhs (Previous Year : NIL Lakhs) from Bank is secured by way of hypothecation of vehicle purchased thereunder. Loan is repayable in different equal monthly installments including interest, for different loan taken on different rates.		
14. Other Financial Liabilities - Non Current		
Trade and other deposits	11.00	11.00
Total	11.00	11.00
15. Long Term Provisions		
Provision for Employee Benefits (Refer note no 36)	207.33	180.94
Total	207.33	180.94



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March' 2019	As at 31st March' 2018
16. Deferred Tax Liabilities		
<i>Deferred Tax Liabilities</i>		
Impact of difference in depreciation/amortization on Property, plant and equipment in tax accounts and depreciation/amortization for financial reporting	711.48	662.63
Impact of difference in fair value of land between tax accounts and financial reporting	326.54	326.54
Others	2.54	2.54
	1,040.56	991.71
<i>Deferred Tax Assets</i>		
Provision for Employees Benefit	51.42	46.55
Other Timing Differences	29.64	34.84
MAT Credit Entitlement	196.50	177.27
	277.56	258.66
Net Deferred Tax Liabilities	762.99	733.04

Reconciliation of effective tax rate	FY 2018-19	FY 2017-18
Profit before tax	653.74	610.44
Enacted tax rates for company under Income Tax	27.82%	33.06%
Income Tax Payable	181.87	201.83
Other Non deductible expenses	5.06	7.97
Reversal of Deferred tax due to Lower Income tax rate in future	-	(131.35)
MAT Credit Entitlement	(19.23)	-
Others (including change in tax rates for deferred tax)	(18.57)	(4.81)
Current Income tax related to earlier years	-	9.74
Reported Income Tax Expenses	149.13	83.38

Effective Tax Rate	22.81%	13.66%
In previous years the Government of India has reduced effective tax rates to 27.82% for Companies having turnover below Rs 25,000 Lakh		

17. Other Non Current Liabilities		
Security Deposits from Customers	971.06	974.01
Total	971.06	974.01

18. Current Borrowings		
Secured Loans		
Working Capital Borrowing from Bank	2,126.12	3,348.25
Total	2,126.12	3,348.25



Notes to the financial statements

Notes :

- (i) Working Capital Borrowing of Rs. 2126.12 Lakhs (Previous Year : Rs. 2498.25 Lakhs) from Bank 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) Working Capital demand Loan of Rs. NIL (Previous Year : Rs. 150 Lakhs) from Bank is secured by first pari passu charge over current assets both present and future; first pari passu charge over moveable fixed assets of the Company both present and future; first pari passu charge on the equitable mortgage over the immovable properties in the name of the Company situated at Gajraula.
- (iii) Working Capital demand Loan of Rs. NIL (Previous Year : Rs. 700.00 Lakhs) from Bank and it is secured by first pari passu charge over current assets both presented future and First pari passu charge over moveable fixed assets of the Company both present and future.

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March' 2019	As at 31st March' 2018
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19. Trade Payables

For Goods and Services

a) total outstanding dues of micro and small enterprises	-	-
b) total outstanding dues of creditors other than micro and small enterprises	1,028.20	722.16
Total	1,028.20	722.16

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	-	-
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	-	-
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.	-	-

20. Other Financial Liabilities - Current

Current maturities of long term borrowings	487.40	326.10
Zero Coupon Redeemable Preference Shares (Refer Note 12)	-	147.60
Dues to a body corporate @	40.00	40.00
Interest accrued	4.52	7.75
Unclaimed dividends #	38.94	34.62
Employee Emoluments	106.14	122.73
Security Deposits	104.33	73.49
Capital Creditors	102.34	40.76
Other Payables	321.21	204.14
Total	1,204.88	997.21



Notes to the financial statements

Investor Education & Protection fund will be credited as and when due

@ Loan of Rs. 40 Lakhs (Previous year : Rs. 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.

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March' 2019	As at 31st March' 2018
21. Other Current Liabilities		
Statutory Dues	147.31	73.71
Advance from Customers	150.51	182.40
Others	-	2.42
Total	297.83	258.53
22. Short Term Provisions		
Provision for Employee Benefits (Refer note no 36)	6.62	5.98
Total	6.62	5.98
23. Revenue from operations		
Sale of Products	17,825.92	20,700.19
Other operating revenues:		
Conversion Charges	4,551.08	3,788.40
Export Incentive	-	0.04
Waste Sale	88.03	39.91
Total	22,465.03	24,528.54
24. Other Income		
Interest Income	57.53	19.74
Net Profit on sale of property, plant and equipment	3.08	0.13
Provision no longer required written back	27.57	5.33
Others	23.77	22.27
Total	111.95	47.47
25. Cost of Material Consumed		
Raw Material Consumed	12,619.03	15,456.84
Packing Material Consumed	964.27	892.23
Total Cost of Material Consumed	13,583.30	16,349.07
26. Change in inventories of finished goods and work-in-progress		
Opening Stock		
Finished Goods	2,878.37	3,235.01
Work-in-Progress	93.45	86.11
	2,971.82	3,321.12
Closing Stock		
Finished Goods	2,505.03	2,878.37
Work-in-Progress	152.55	93.45
	2,657.58	2,971.82
(Increase) / Decrease in Stocks	314.24	349.30
Less : Excise Duty on variation of stock	-	(0.14)
Net (Increase) / Decrease in Stocks	314.24	349.16



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March' 2019	As at 31st March' 2018
27. Employee Benefit Expenses		
Salaries, Wages and Bonus	2,129.29	2,038.85
Contribution to Provident and other Funds	103.46	92.78
Staff Welfare Expenses	61.15	49.30
Total	2,293.90	2,180.93
28. Finance Costs		
Interest	311.89	355.54
Other Borrowing Costs	92.26	18.20
	404.15	373.74
Less: Transfer to Capital Work in Progress/Capitalised	1.18	-
Total	402.97	373.74
29. Other Expenses		
Consumption of Stores and spares	546.17	420.98
Power and Fuel	2,196.51	2,141.62
Job on contract	204.74	92.50
Rent	72.24	54.11
Repairs to Buildings	29.20	35.51
Repairs to Machinery	116.07	81.79
Insurance	31.06	32.86
Rates & Taxes	25.35	15.13
Freight and Transportation	530.67	453.16
Advertisement and sales promotion	288.37	240.55
Corporate Social Responsibility	19.07	19.03
Directors' Fee	13.23	11.92
Directors' Commission	6.50	-
Research & Development	0.62	0.94
Bad Debts	3.97	
Less: Allowance for Credit Losses	<u>3.97</u>	-
Allowance for Credit losses	22.49	-
Miscellaneous @	867.56	753.50
Total	4,969.85	4,353.60
@ Includes amount paid to auditors		
i) Statutory Auditors:		
a. As Auditor	3.45	2.70
a. Limited review fee	0.90	0.48
b. Tax Audit Fee	0.50	0.40
c. Certifications fee	0.18	0.20
d. Certifications fee to previous auditor	-	0.53
e. Reimbursement of Expenses	0.32	0.08
Total	5.35	4.39
ii) Cost Auditors:		
a. Audit Fees	0.42	0.35
Total	0.42	0.35



Notes to the financial statements

(Rs. in Lakhs, unless stated otherwise)

Particulars	As at 31st March' 2019	As at 31st March' 2018
30. Current Tax		
Current Tax for the year	120.00	125.30
Tax adjustments for earlier years	-	(9.74)
Total	120.00	115.56
31. Earning per share (EPS)		
Profit for the year	504.61	527.06
Weighted average number of equity shares of Rs. 5/- each	22003200	22003200
Basic and diluted (Per Share in Rs.)	2.29	2.40

32. 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 *	350.88	359.24
b. Income tax liability that may arise in respect of matters in appeal referred by the department *	-	1,290.90
c. Other matters	92.58	92.58

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

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.

Commitments:

Contracts remaining to be executed on capital account (Net of Advances)	159.93	19.35
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The Company has procured certain capital goods under EPCG scheme at a concessional rate of duty. As on 31st March, 2019, the Company is contingently liable to pay differential custom duty Rs. 12.93 Lakhs (31st March 2018 Rs. 12.93 Lakhs) on such procurement. In view of past export performance & future projections, the management is hopeful of completing the export obligation within stipulated time, and expect no cash outflow on this account.



Notes to the financial statements

(Rs. in Lakhs)

33 Information about Business Segment

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.

34 Event Occurred after balance sheet

The Board of directors has recommended dividend of Rs. 0.50 (Previous Year Rs 0.25) per equity share aggregating Rs. 132.63 Lakhs (Previous Year Rs 66.32 Lakhs) including corporate dividend tax of Rs. 22.62 Lakhs (Previous Year Rs 11.31 Lakhs) for the financial year ended March 31, 2019 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

35 The Management has carried out review of the remaining useful lives of its Fixed assets 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.

36 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

(i) Defined Contribution Plans:

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.

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Contribution to Govt. Provident Fund	72.99	63.63

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31.03.2019	As at 31.03.2018
Net defined benefit (liability) / asset	(122.13)	(105.19)
Liability for Gratuity		
Non-current	(1.89)	(2.02)
Current	(120.24)	(103.17)



Notes to the financial statements

B Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Current Year			Previous Year		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	105.19	-	105.19	112.21	-	112.21
Included in profit or loss	-	-	-	-	-	-
Current service cost	22.18	-	22.18	20.32	-	20.32
Interest cost	8.28	-	8.28	8.83	-	8.83
	135.65	-	135.65	141.36	-	141.36
Included in OCI						
Premeasurements loss (gain)	-	-	-	-	-	-
-Actuarial loss (gain) arising from:	-	-	-	-	-	-
-demographic assumptions	-	-	-	-	-	-
-financial assumptions	2.88	-	2.88	(4.25)	-	(4.25)
-experience adjustment	(5.84)	-	(5.84)	(8.68)	-	(8.68)
-on plan assets	-	-	-	-	-	-
	(2.96)	-	(2.96)	(12.93)	-	(12.93)
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	-	-	-	23.24	-	23.24
Acquisition adjustment	-	-	-	23.24	-	23.24
Balance as at 31 March	132.69	-	132.69	105.19	-	105.19

C Plan assets

The Company has no plan assets.



Notes to the financial statements

D Actuarial assumptions

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

Particulars	As at 31.03.2019	As at 31.03.2018
Discount rate	7.65	7.87
Expected rate of future salary increase	7.00	7.00
Mortality	100% of IALM (2006 -08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables. The company expects to pay Rs. 35.84 Lakhs (Previous year Rs. 2.18 Lakhs) in contribution to its defined benefit plans in the next year.

E Sensitivity analysis

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	100 bp	100 bp	100 bp	100 bp
	Increase	Decrease	Increase	Decrease
Discount rate	-6.61	7.22	-11.49	13.88
Expected rate of future salary increase	7.24	-6.68	13.69	-11.39

Sensitivities due to mortality & 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 & life expectancy are not applicable being a lump sum benefit on retirement.

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.

F Description of Risk Exposures:

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

- 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.
- Salary risk:** Higher than expected increase in salary will increase the defined benefit obligation.
- 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.

37 Related Party Transactions (to the extent identified by the Company)

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

Related parties and their relationships

- List of related parties
 - Enterprise which holds more than 20% of Equity Share.
Bengal & Assam Company Limited (BACL)
- Other Entities**
 - Pushpawati Singhania Research Institute (PSRI)



(Rs. in Lakhs)

Key Managerial Personnel (KMP) :

Sr. No.	Name	Designation
1	Ram Chandra Periwal	Independent & Non-Executive Director
2	Sharda Devi Singhania	Non-Executive Director
3	Ratan Chand Jain	Independent & Non-Executive Director
4	Desh Bandhu Doda	Non-Executive Director
5	Shri Manish Bandlish^ (w.e.f. 11.06.2018)	Chief Executive Officer
6	Shri L.R. Nayak^ (w.e.f. 01.10.2018)	Chief Financial Officer
7	Shri C.Venugopal^ (till 31st August 2018)	Chief Executive Officer
8	Shri Diwan Singh^ (till 30th September 2018)	Chief Financial Officer
9	Shri Pankaj Kamra ^	Company Secretary

^ As per the Companies Act, 2013

Sl. No.	Nature of Transaction	2018-19		2017-18	
		Others	Key Management Personnels	Others	Key Management Personnels
1	Medical Expenses paid to PSRI	0.87	-	0.82	-
2	Short-term employee benefits #	-	213.96	-	144.29
3	Director Sitting Fee to non-executive directors	-	13.23	-	11.92
4	Directors Commission	-	6.50	-	-
5	Dividend to Directors	-	0.00	-	-
6	Dividend to Bengal & Assam Company Limited (BACL)	-	27.43	-	-

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

38 FINANCIAL INSTRUMENTS

Financial Assets

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2019		As at March 31, 2018	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
1	Financial assets designated at amortised cost				
	a) Trade receivables	1,119.25	1,119.25	1,241.85	1,241.85
	b) Cash and cash equivalents	33.17	33.17	39.69	39.69
	c) Other Bank Balances other than "b" above	43.64	43.64	39.32	39.32
	d) Other financial assets	84.79	84.79	81.51	81.51
		1,280.84	1,280.84	1,402.37	1402.37



Notes to the financial statements

Financial Liabilities

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2019		As at March 31, 2018	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
1	Financial liability designated at amortised cost				
	a) Borrowings	3,113.55	3,113.55	4,471.60	4,471.60
	b) Trade payables	1,028.20	1,028.20	722.16	722.16
	c) Other financial liability	728.48	728.48	786.24	786.24
		4,870.23	4,870.23	5,980.00	5,980.00

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

- 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.
- 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.
- 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:

- recognised and measured at fair value and
- 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.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- Credit risk;
- Liquidity risk;
- Market risk
- Currency risk
- Interest rate risk
- Commodity price risk

i. 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.

ii. Credit risk

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



Notes to the financial statements

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in export and domestic market. The management impact analysis show credit risk and impact assessment as low.

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 financial 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 the Chief Executive Officer 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 1119.25 Lakhs (31 March 2018 – Rs 1241.85 Lakhs).

Ageing of trade receivables are as under:-

(Rs. in Lakhs)

Particulars	As at 31.03.2019				As at 31.03.2018			
	Less than 6 months	6-12 months	More than 12 months	Total	Less than 6 months	6-12 months	More than 12 months	Total
Unsecured	1,128.53	13.22	-	1,141.74	1,241.62	0.23	3.97	1,245.82
Allowances for Credit Losses	(11.01)	(11.48)	-	(22.49)	-	-	(3.97)	(3.97)
Net Balance	1,117.51	1.74	-	1,119.25	1,241.62	0.23	-	1,241.85

During the period, the Company has made no write-offs of trade receivables. It does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

Reconciliation of loss allowance provision – Trade receivables

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	3.97	3.97
Changes in loss allowance	18.52	-
Closing balance	22.49	3.97

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.



Notes to the financial statements

(Rs. in Lakhs)

Particulars	Carrying Amount	Less than 1 year	1-5 Years	More than 5 year	Total
As at March 31, 2019					
Borrowings –Current	2,126.12	2,126.12	-	-	2,126.12
Borrowings -Non Current	500.03	-	432.53	67.50	500.03
Current maturity of Non Current Borrowings	487.40	487.40	-	-	487.40
Trade Payables	-	-	-	-	-
Other financial liabilities- Current	717.48	717.48	-	-	717.48
Other financial liabilities- Non Current	11.00	-	11.00	-	11.00
Interest accrued but not due on loans	4.52	4.52	-	-	4.52
Total	3,846.55	3,335.52	443.53	67.50	3,846.55
As at March 31, 2018					
Borrowings –Current	3,348.25	3,348.25	-	-	3,348.25
Borrowings -Non Current	797.25	-	639.75	157.50	797.25
Current maturity of Non Current Borrowings	326.10	326.10	-	-	326.10
Trade Payables	618.03	618.03	-	-	618.03
Other financial liabilities- Current	767.49	1,093.59	-	-	1,093.59
Other financial liabilities- Non Current	11.00	-	11.00	-	11.00
Interest accrued but not due on loans	7.75	7.75	-	-	7.75
Total	5,875.87	5,393.72	650.75	157.50	6,201.97

iv. Market risk

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

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD for exports and small exposure in EUR for import of machinery/spares. 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 (Rs.). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rs. cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also take help from external consultants who for views on the currency rates in volatile foreign exchange markets.

Since Company received/ paid advance against exports/imports as a result Currency risks related to the principal amounts of the Company's foreign currency receivables/payables does not arise.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.



Notes to the financial statements

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported by the management of the Company is as follows:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
	INR	INR
Financial assets/Liabilities		
Trade receivables	-	0.05
Trade payables	-	1.04

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	As at 31.03.2019	As at 31.03.2018
USD 1	69.44	65.04

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against USD at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	As at 31.03.2019		As at 31.03.2018	
	5%	5%	5%	5%
	Increase	Decrease	Increase	Decrease
USD Sensitivity	0.00	0.00	-0.05	0.05

vi. Interest rate risk

The Company's main interest rate risk arises from long-term and short term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2019 and 31 March 2018, the Company's borrowings at variable rate were denominated in Rupees.

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.

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	Nominal Amount	
	As at 31.03.2019	As at 31.03.2018
Fixed-rate instruments		
Financial liabilities	68.08	51.75
Variable-rate instruments		
Financial liabilities	3,113.55	4,471.60

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, in particular foreign currency exchange rates, remain constant.



Notes to the financial statements

Particulars	Profit or loss		Equity, net of tax	
	50 bp	50 bp	50 bp	50 bp
	increase	Decrease	increase	Decrease
31st March 2019				
Variable-rate instruments	(15.57)	15.57	(11.24)	11.24
Cash flow sensitivity	(15.57)	15.57	(11.24)	11.24
31st March 2018				
Variable-rate instruments	(22.36)	22.36	(14.97)	14.97
Cash flow sensitivity	(22.36)	22.36	(14.97)	14.97

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. A change of 50 basis points in interest rates would have increased or decreased equity by Rs. 0.25 lakhs after tax (Previous year Rs. 0.17 lakhs). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

ii. Commodity price risks

The Company is exposed to the movement in price of key raw materials in domestic markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of major procurement and high production of semi finished products in seasons when the prices are perceived to be low as strategic sourcing initiative in order to keep raw material and prices under check to the extent possible.

40. 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	As at
	31-03-2019	31-03-2018
Borrowings	3,181.63	4,523.35
Less: cash and cash equivalents including bank balance	76.81	79.01
Less: Current Investments	-	-
Net debt	3,104.83	4,444.34
Equity	5,733.40	5,292.96
Capital and Net debt	8,838.22	9,737.30
Gearing Ratio	35%	46%

41 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

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

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

Firm's Reg No. 302049E

Ratan Chand Jain
(Director)

Desh Bandhu Doda
(Director)

Ram Chandra Periwal
(Director)

Sharda Devi Singhanian
(Director)

B. K. Sipani
Partner

M.No. 088926
New Delhi, the 13th day of May, 2019

Pankaj Kamra
(Company Secretary)

Manish Bandlish
(Chief Executive Officer)

L.R. Nayak
(Chief Financial Officer)



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CORPORATE SOCIAL RESPONSIBILITY



AWARDS FROM MOTHER DAIRY



MILK PROCUREMENT



DRYING PLANT



LIQUID MILK PACKING PLANT



CURD PLANT



UMANG DAIRIES LIMITED
GULAB BHAWAN, 3RD FLOOR, 6A,
BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110002



UMANG DAIRIES LIMITED

CIN: L15111UP1992PLC014942, Website: www.umangdairies.com

Registered Office: Gajraula- Hasanpur Road, Gajraula – 244 235, Dist. Amroha, Uttar Pradesh

Admin. Office: Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi -110 002

Phone: 011-30179776, Email ID: sharesumang@jkmall.com

NOTICE

NOTICE is hereby given that the **26th Annual General Meeting** of the Members of **UMANG DAIRIES LIMITED** will be held at the **Registered Office** of the Company at Gajraula Hasanpur Road, Gajraula – 244 235, Dist. Amroha, Uttar Pradesh, on **Thursday, the 19th September 2019 at 11.30 A.M.** 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 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Desh Bandhu Doda (DIN: 00165518), who retires by rotation and being eligible, offers himself for reappointment.

As Special Business

4. To consider and if thought fit to pass, the following as Special Resolution:
“RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 17 and 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri R.C. Periwal (DIN: 00168904), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of three consecutive years, with effect from 19th September 2019.”
5. To consider and if thought fit to pass, the following as an Ordinary Resolution:
“RESOLVED that Shri Manish Bandlish (DIN: 07656983) whose appointment as Additional Director on the Board determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and if thought fit to pass, the following as Special Resolution:
“RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act 2013 (“the said Act”) and Rules thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification(s) or re-enactment(s) thereof, the appointment of Shri Manish Bandlish (DIN: 07656983) as Chief Executive Officer and Director of the Company for a period of three years from 24th July 2019 till 23rd July 2022, be and is hereby approved on the terms of remuneration, which in any financial year, may exceed 5% of the net profits of the Company subject to the overall limits for all managerial persons specified in Section 197(1) read with other relevant provisions of the said Act as set out in the Statement pursuant to Section 102(1) of the said Act annexed hereto, which shall be deemed to form part hereof, and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, perquisites, allowances, benefits and performance linked incentive, as approved herein, be paid as minimum remuneration to the said Chief Executive Officer and Director, for a period not exceeding three years in the aggregate subject to the requisite approvals under the said Act.
RESOLVED further that the Board or Nomination and Remuneration Committee thereof be and is hereby authorised to determine and recommend the variation and/or revision of the remuneration of the said Chief Executive Officer and Director within the overall limits approved herein and to settle any question or difficulty in connection therewith or incidental thereto.”
7. To consider and if thought fit to pass, the following as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 (including any statutory modification(s) or re-enactment thereof), Shri Amar Singh Mehta (DIN:00030694) whose appointment on the Board 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 for a term of 5 (five) consecutive years with effect from 24th July 2019."

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

"RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Shri Desh Bandhu Doda (DIN: 00165518), who has been a Director of the Company since 25th July 2004, liable to retire by rotation, do continue to be a Director of the Company in the category of Non-Executive Director."

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

"RESOLVED that pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any statutory modification(s) or re-enactment(s) thereof, approval of the Company be and is hereby accorded to the payment of remuneration not exceeding in aggregate five percent of the net profits of the Company for each financial year as computed in the manner laid down in Section 198 or any other applicable provisions of the Companies Act, 2013, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, to the non-executive Directors other than the Managing Director(s) and Whole-time Director(s) of the Company as the Board of Directors may from time to time determine.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED that pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, in this regard (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby granted, for payment of annual remuneration to Smt. Sharda Devi Singhania (Non Executive Director) of the Company for the Financial Year ended 31st March 2019, which exceeds fifty percent of the total remuneration payable to all non-executive directors of the Company."

11. 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, remuneration of M/s Sanjay Kumar Garg & Associates, the 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 2019-20 commencing 1st April 2019, of Rs. 42,000/-, excluding G.S.T. as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said 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 and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

REGISTERED OFFICE

Gajraula Hasanpur Road
Gajraula - 244235
Dist. Amroha, (Uttar Pradesh)

By Order of the Board

Pankaj Kamra
Company Secretary

Date: 24th July 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Statement pursuant to Section 102 of the Companies Act 2013 (Act), setting out the material facts concerning Item Nos. 4 to 11 of the Notice, is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.
4. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection by the members at the Registered Office/Administrative Office of the Company on any working day between 2:00 P.M. to 4:00 P.M. upto and including the date of the AGM and also at the venue of the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 13th September 2019 to 19th September 2019 (both days inclusive).
6. The Dividend for the financial year ended 31st March 2019 of Rs. 0.50/- per Equity Share (10%) on 2,20,03,200 fully paid equity shares of Rs. 5/- each, as recommended by the Board of Directors, if declared at the AGM, will be paid within three weeks of the date of the AGM to those members whose names shall be borne on the Register of Members of the Company on 19th September 2019 or to their mandatees. In respect of shares held by the Members in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2018-19, the Notice of the 26th AGM of the Company along with Admission Slip and Proxy Form are being sent to all the members whose email addresses are registered with the Company/Depository Participants. Physical copy of the aforesaid documents may be sent on request by any such Member.
8. Physical copy of the Annual Report for 2018-19, the Notice of the 26th AGM of the Company along with Admission Slip and Proxy Form are being sent to those members who have not registered their e-mail addresses with the Company/Depository Participants. The Annual Report for 2018-19 and the Notice of the 26th AGM along with Admission Slip and Proxy Form will also be available on the Company's website www.umangdairies.com.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. Appointment/Reappointment of Directors:

Brief resume of the Directors proposed to be appointed/reappointed (item No. 3 to 7 of the Notice) is given hereunder:

- Shri D.B. Doda, aged 74 years is a graduate in Science (Dairy Technology) and has varied experience of 50 years as a senior Management Executive in different Industrial units. He joined the Board of the Company on 25th July 2004.

His other Directorships are - (A) Listed Company - Nil (B) Unlisted Companies - Nil. Chairmanship/Membership of Shri D.B. Doda in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

Shri Doda attended four board meetings of the Company held during the financial year ended 31st March 2019. Shri Doda holds 50 Equity Shares of the Company and does not hold any Equity Shares of the Company on beneficial basis for any other person. Shri Doda is not related to any other Director and Key Managerial Personnel of the Company. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Non Executive Director of the Company,

he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00165518.

- Shri R. C. Periwal, aged 86 years is Post Graduate in Commerce and has multi-company experience of over 53 years in administration with specialization in consumer marketing. He joined the Board of the Company on 19th October 2000.

His other Directorships are - (A) Listed Company - Nil (B) Unlisted Companies – Dwarkesh Energy Limited. Chairmanship/Membership of Shri R.C. Periwal in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Member of Audit Committee of Dwarkesh Energy Limited.

Shri Periwal attended four board meetings of the Company held during the financial year ended 31st March 2019. Shri R.C. Periwal does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Periwal is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 4 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00168904.

- Shri Manish Bandlish, aged 49 years holds a degree in B. Tech. from Jamia Millia Islamia and is a Post Graduate from Indian Institute of Management, Lucknow and has 26 years of rich experience in companies like Maruti Suzuki, Marico Limited, Subhiksha including working in Metro Cash and Carry for 10 years as Director - Operations, Development & Expansion where he played strategic role to define the expansion strategy and format strategy for Metro India. He is currently Chief Executive Officer of Umang Dairies Limited since 11th June 2018. He joined the Board of the Company on 24th July 2019.

His other Directorships are - (A) Listed Company – Nil (B) Unlisted Companies - Nil. Chairmanship/Membership of Shri Manish Bandlish in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

Shri Bandlish could not attend any board meeting during the financial year ended 31st March 2019 as a Director of the Company, as he was appointed as Director on 24th July 2019. Shri Bandlish does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Bandlish is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his appointment are as per the Resolutions at Item No. 5 & 6 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. As Executive Director of the Company, he is entitled to remuneration including performance linked incentive, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 07656983.

- Shri Amar Singh Mehta, aged 59 years is a Fellow Member of Institute of Chartered Accountants of India. He has a vast experience of over 35 years including 30 years in the Paper and Tyre business.

Shri Mehta has sound knowledge in the field of Finance & Accounts and a rich experience in several key activities including mergers and acquisitions, board matters and corporate governance including marketing. Shri Mehta is currently the President & Director of JK Paper Limited and is also on the Board of several other companies, trusts and research bodies. He was also a Convenor of the Marketing Committee of Automotive Tyre Manufacturer's Association (ATMA) and is presently the President of Indian Paper Manufacturer Association (IPMA). He joined the Board of the Company on 24th July 2019.

His other Directorships are - (A) Listed Company – JK Paper Limited and JK Agri Genetics Limited (B) Unlisted Companies - Bhopal Udyog Limited and Ultima Finvest Limited. Chairmanship/Membership of Shri Amar Singh Mehta in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Member of Audit Committee of JK Paper Limited, JK Agri Genetics Limited and Ultima Finvest Limited, Chairman of Stakeholders Relationship Committee of JK Agri Genetics Limited and Member of Stakeholders Relationship Committee of JK Paper Limited.

Shri Mehta could not attend any board meeting during the financial year ended 31st March 2019 as he was appointed as Director on 24th July 2019. Shri Mehta does not hold, either by himself or on beneficial basis

for any other person, any Equity Shares of the Company. The terms and conditions of his appointment are as per the Resolution at Item No. 7 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. Shri Mehta is not related to any other Director and Key Managerial Personnel of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00030694.

11. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 27, 2017.

12. Remote e-Voting procedure

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with relevant rules thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members, facility to exercise their right to vote at the 26th AGM by electronic voting system from a place other than the venue of the meeting ("remote e-voting") and the businesses may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

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

- (i) The voting period begins on 16th September 2019 from 10:00 A.M. and ends on 18th September 2019 at 5:00 P.M. During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the AGM date may attend the AGM but would not be entitled to vote at the AGM.
- (iii) The Shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on 'Shareholders/Members'.
- (v) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the image verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on sticker pasted on the envelope of this notice. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

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 as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Umang Dairies Limited.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 12th September 2019 may follow the same instruction as mentioned above for remote e-voting.
- (xxii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013; Phone No. 1800225533 or write an email to helpdesk.evoting@cdslindia.com.

- (xxiii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 12th September 2019 and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.
- (xxiv) The Company has appointed Mr. Namo Narain Agarwal, Practising Company Secretary (Membership No. FCS-234) as Scrutinizer to scrutinize the voting (at AGM venue) and remote e-voting process in a fair and transparent manner.
- (xxv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the results of the voting forthwith.
13. 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 i.e., 12th September 2019 and who has not cast vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.
14. The Results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company www.umangdairies.com and on the website of CDSL e-voting www.evotingindia.com and shall simultaneously be forwarded to the concerned Stock Exchanges. The result of the voting will also be displayed at the Notice Board at the Registered Office and the Administrative Office of the Company.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

1. The shareholders of the Company at their Annual General Meeting (AGM) held on 21st September 2014 had appointed Shri R.C. Periwal as Independent Director of the Company for his first term of five consecutive years from 21st September 2014, the date of 21st Annual General Meeting (AGM), upto the conclusion of 26th AGM of the Company in the year 2019.
2. As per provisions of the Companies Act, 2013, the Independent Directors shall hold office for a term up to five consecutive years, but shall be eligible for reappointment, subject to compliance of certain conditions and on passing of a Special Resolution by the members of the Company. Further, such Independent Directors will also not be subject to retirement of Directors by rotation.
3. The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee of Directors, considers that he possesses appropriate skills, experience and given his background and experience and contributions made by him during his tenure, it would be in the interest of the Company to have continued association of Shri R.C. Periwal as Independent Director of the Company.
4. Accordingly, the Board recommended reappointment of Shri R.C. Periwal, for another term of three consecutive years with effect from 19th September 2019.
5. The Company has received declaration from Shri R.C. Periwal that he meets with the criteria of independence and 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 duties with an objective independent judgment and without any external influence, as prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He is not disqualified from being reappointed as a Director in terms of Section 164 of the Act or debarred from holding the office of Director pursuant to any SEBI Order.
6. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and Listing Regulations for his reappointment as Independent Director of the Company and he is independent of the Management.
7. Copy of the draft letter for reappointment of Shri R.C. Periwal as 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 on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting. Brief resume of Shri R.C. Periwal is given in the notes appended to the Notice of this Meeting.
8. Further, in terms of Regulation 17(1A) of Listing Regulations, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of reappointment, Shri R.C. Periwal has already attained the age of eighty six years. The Special Resolution set out at Item no. 4 of the Notice for his reappointment, shall also be deemed to have been proposed under the Listing Regulations for continuation of Shri R.C. Periwal as Independent Director beyond the age of seventy five years.
9. The Board recommends the aforesaid Special Resolution for approval by the members.
10. Except Shri R.C. Periwal, being the appointee, and his relatives to the extent of their shareholding, if any, in the Company, 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 special resolution.

Item Nos. 5 & 6

1. The Board of Directors at its meetings held on 24th July 2019, on the recommendation of Nomination and Remuneration Committee, had appointed Shri Manish Bandlish (DIN: 07656983) as an Additional Director of the Company w.e.f 24th July 2019, who shall hold office upto this Annual General Meeting (AGM) of the Company, pursuant to Section 161 (1) of the Companies Act 2013 (the Act). He was also appointed as Chief Executive Officer & Director of the Company from 24th July 2019 till 23rd July 2022 on the remuneration as detailed hereunder, for the said period, including minimum remuneration in case of absence or inadequacy of profits in any financial year or years for a period not exceeding three years in aggregate in terms of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof ("the Act").
2. The Company has received requisite notice under Section 160 of the Act from a member proposing the name of Shri Manish Bandlish as a candidate for the office of Director of the Company at this AGM of the Company.

3. THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT

I. General Information

- (i) Nature of Industry: Dairy

- (ii) Date or expected date of commencement of commercial production: Umang Dairies Limited plant of the Company was commissioned in the year 1994.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- (iv) Financial performance based on given indicators:

Particulars for the financial year ended 31st March 2019	Rs. In Lacs
Income from Operations	22,576.98
Profit before Interest, Depreciation and Tax (PBITD)	1,415.69
Profit before Depreciation and Tax (PBDT)	1,012.72
Profit after Tax (PAT)	504.61

- (v) Foreign investments or collaborations, if any: Not Applicable

II. Information about the appointee

- (i) Background details: Shri Manish Bandlish, aged 49 years holds a degree in B. Tech. from Jamia Millia Islamia and is a Post Graduate from Indian Institute of Management, Lucknow and has 26 years of rich experience in companies like Maruti Suzuki, Marico Limited, Subhiksha including working in Metro Cash and Carry for 10 years as Director - Operations, Development & Expansion where he played strategic role to define the expansion strategy and format strategy for Metro India. He is currently Chief Executive Officer of Umang Dairies Limited since 11th June 2018.
- (ii) Past Remuneration: The current remuneration of Shri Manish Bandlish as CEO, is as under:
 - A. Salary: Rs 4,15,000/- per month with such increments as may be decided by the Company from time to time.
 - B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof, medical allowance, leave travel for self and family, premium on personal accident insurance, car with driver, telephone etc., and other perquisites, allowances and benefits as per the schemes, policies and the rules of the Company as applicable from time to time. The perquisites shall be evaluated as per the actual cost or Income tax Rules, as applicable.
 - C. Performance linked incentives as may be decided by the Company.
 - D. Contribution to Provident Fund as per rules of the Company.
 - E. Contribution to National Pension Scheme as per rules of the Company.
 - F. Gratuity as per rules of the Company.
 - G. Encashment of unavailed leave as per rules of the Company.
- (iii) Recognition or Awards --
- (iv) Job Profile and his suitability: Shri Manish Bandlish, Chief Executive Officer & Director of the Company is vested with powers of management subject to the control, direction and superintendence of the Board of Directors of the Company.
- (v) Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 24th July 2019, approved the terms of remuneration of Shri Manish Bandlish as Chief Executive Officer & Director of the Company from 24th July 2019 till 23rd July 2022 as under:-
 - A. Salary: Rs 4.15 lac per month in the salary range of Rs 3.50 Lac per month to Rs 8.00 lac per month with such increments as may be decided by the Board or Nomination and Remuneration Committee thereof from time to time.
 - B. Perquisites, allowances and benefits : Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the the Company. The perquisites

shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as may be decided by the Company.

- C. Performance linked incentive, as may be determined by the Board or Nomination and Remuneration Committee thereof from time to time.
 - D. Contribution to Provident Fund, Superannuation Fund, National Pension Scheme or Annuity Fund as per Rules of the Company.
 - E. Gratuity at the rate of 15 days salary for each completed year of service.
 - F. Encashment of unavailed leave as per Rules of the Company.
 - G. The Board or Nomination and Remuneration Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.
 - H. In the event of inadequacy or absence of profits under Sections 197 and 198 of the Companies Act in any financial year or years, "Chief Executive Officer & Director" shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras D, E and F above.
- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The Nomination and Remuneration Committee of Directors of the Company had, while approving and recommending the said remuneration of Shri Manish Bandlish took into the account the financial position of the Company, the trend in the Dairy Industry and the Company, trends in managerial remuneration, his qualifications, experience, past performance and past remuneration etc.
 - (vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri Manish Bandlish does not have any pecuniary relationship with the Company or with the managerial personnel of the Company.

III. Other Information

- (i) Reasons of loss or inadequate profits: The Company had profits during the financial year ended 31st March 2019. However, his appointment is from 24th July 2019 till 23rd July 2022 and the future trend in profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole.
- (ii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits & in measurable terms: Company's R&D Department, constantly works on several new products to expand its product portfolio. Progress on some of the products has made significant headway.
- (iii)

The Company has undertaken several initiatives like improvement of efficiency parameters, cost reduction and building a formidable branding position, which is likely to hold the Company in good stead for coming many years.

The Company has not made any default in repayment of any of its debts (including public deposits being nil) or debentures or interest payable thereon in the preceding financial year.

- 4. The Board recommends the Resolution as set out at Item No. 5 for approval of the members by means of an Ordinary Resolution and at Item No.6 for approval of the members by means of a Special Resolution.
- 5. Except Shri Manish Bandlish 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 Resolution.
- 6. Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 7

- 1. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Shri Amar Singh Mehta (DIN:00030694), as Additional Director of the Company in the category of Independent Director w.e.f. 24th July 2019, who shall hold office upto this Annual General Meeting (AGM) of the Company, pursuant to Section 161(1) of the Companies Act 2013 (the Act).
- 2. The Company has received declaration from Shri Amar Singh Mehta that he meets with the criteria of independence

and 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 duties with an objective independent judgment and without any external influence, as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He is not presently disqualified from being appointed as a Director in terms of Section 164 of the Act or debarred from holding the office of Director pursuant to any SEBI Order.

3. The Company has received requisite notice under Section 160 of the Act from a member proposing the name of Shri Amar Singh Mehta as a candidate for the office of Director of the Company at this AGM of the Company.
4. The Board of Directors of the Company has recommended to the members the appointment of Shri Amar Singh Mehta as an Independent Director of the Company, for a term of five consecutive years w.e.f. 24th July, 2019. In the opinion of the Board, he fulfills the conditions specified in the Act and Rules made thereunder and Listing Regulations for his appointment as Independent Director of the Company and he is independent of the Management.
5. Copy of the draft letter of appointment of Shri Amar Singh Mehta 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 on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.
6. The Board recommends the aforesaid Ordinary Resolution for approval by the members.
7. Except Shri Amar Singh Mehta 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 Resolution.

Item No. 8

1. Shri Desh Bandhu Doda has been a Non-Executive Director of the Company since 25th July 2004, liable to retire by rotation. Pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to take approval of the Members by means of a Special Resolution for continuation of Directorship of Shri Desh Bandhu Doda, who will attain the age of 75 years in May 2020, by giving justification thereof. The resolution is accordingly recommended for approval of the Members by means of a Special Resolution.
2. Shri Desh Bandhu Doda is a graduate in Science (Dairy Technology) and has varied experience of 50 years as a senior Management Executive in different Industrial units.
3. Keeping in view vast knowledge and experience of Shri Desh Bandhu Doda, it will be in the interest of the Company to continue his directorship. Accordingly, Board recommends his continuation as a Director of the Company in the category of Non-Executive Director.
4. Except Shri Desh Bandhu Doda 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 Resolution.
5. Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2.00 P.M. to 4.00 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 9

1. Section 197 of the Companies Act 2013 (the Act) authorises payment of remuneration to Directors, other than Managing Directors or Whole-time Directors of the Company, upto 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Act, without the approval of the Company in General Meeting.
2. Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 stipulates that all fees or compensation (excluding sitting fees), paid to non-executive directors, including independent directors, shall be recommended by the Board of Directors and shall require approval of shareholders in general meeting.
3. Accordingly, it is considered necessary to obtain approval of the Members authorising Board of Directors of the Company to approve payment of remuneration to non-executive directors, including independent directors of the Company upto 5% of the annual net profits of the Company, computed in the manner laid down in Section 198 of the Act, for each financial year (including for the financial year ended March 2019) in terms of Section 197 of the Act, as may be decided by the Board of Directors from time to time.
4. The Board recommends the aforesaid Special Resolution for approval by the members.

5. All the Directors, other than the Managing Director(s) and Whole-time Director(s) of the Company, and their relatives to the extent of their shareholding, if any, in the Company, are concerned or interested in the aforesaid resolution to the extent of the share of remuneration that they may receive. None of the Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.
6. Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 10

1. Smt. Sharda Devi Singhania has been a Non- Executive Director of the Company since 27th March 2015, liable to retire by rotation.
2. Pursuant to Regulation 17(6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to obtain the approval of Members of the Company by way of Special Resolution for payment of annual remuneration to a single non-executive director exceeding 50% of the total remuneration payable to all non-executive directors of the Company.
3. Smt. Sharda Devi Singhania is to be paid a commission of Rs. 5 lac for the financial year ended March 2019, within the limits prescribed under the Companies Act, 2013, subject to the approval of the members at this Annual General Meeting of the Company.
4. Since, the annual remuneration payable to Smt. Sharda Devi Singhania, Non-Executive Director of the Company exceeds fifty per cent of the total annual remuneration payable to all non-executive directors of the Company for the Financial Year ended 31st March 2019, the approval of the Members of the Company is required by way of Special Resolution.
5. Smt. Sharda Singhania is currently working in managerial capacity with M/s Param Shubham Vanijya Ltd. for more than 25 years. She is actively involved in the field of Education and was instrumental in establishing the well-known Lakshmipat Singhania Academy (LSA) in Kolkata, West Bengal. She continues to be the driving force of this institution and functions as the President of its Executive Committee. She also established Lakshmipat Singhania Academy in Bissau, Rajasthan and overseas the operations of the Academy as the Vice Chairperson of its Managing Committee.
6. Smt. Singhania has been the Past-President of 'Ladies Study Group' which is the prestigious ladies wing of the well-known Indian Chamber of Commerce, Kolkata. She is actively involved in various social, philanthropic and CSR activities undertaken by the various Companies of the J.K. Organisation and has widely travelled overseas.
7. The Board recommends the aforesaid Special Resolution for approval by the members.
8. Except Smt. Sharda Singhania and her 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 Resolution.
9. Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 11

1. The Board at its meeting held on 13th May 2019, 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 2019-20 commencing 1st April 2019 at a remuneration of Rs. 42,000/- excluding G.S.T. as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the cost audit.
2. 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.
3. The Board recommends the aforesaid Ordinary Resolution for approval by the members.
4. 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.

REGISTERED OFFICE:
Gajraula Hasanpur Road
Gajraula - 244235
Dist. Amroha, (Uttar Pradesh)

By Order of the Board

Pankaj Kamra
Company Secretary

Date: 24th July 2019

FOR ATTENTION OF THE MEMBERS

1. Members/Proxies should bring the Admission Slip sent herewith duly filled in for attending the Meeting.
2. For prompt attention, requests for transfer of Equity Shares and related correspondence should be addressed to the Company's Registrar and Share Transfer Agents (RTA): **MAS SERVICES LIMITED**, T-34, Second Floor, Okhla Industrial Area, Phase-II, New Delhi- 110 020. The shareholders may approach their Depository Participant for getting their shares dematerialised and in respect of shares already held in dematerialised mode for registration of change in their addresses, bank mandates, nominations, etc.
3. Please Check the address including the Pin Code in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pin Code Number of your delivery post office while notifying change in your address to RTA where shares are held in physical form.
4. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form from 1st April, 2019 onwards. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialised shares held by them in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is INE864B01027.
5. Members having multiple folios are requested to write to the RTA for consolidation of the Folios.
6. Dividend Warrants:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.
7. 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 the dividend became due for payment is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The unclaimed Dividend for the financial year ended 31st March 2013 and 31st March 2014 will become due for transfer to the Investor Education and Protection Fund on 3rd August, 2020 and 22nd September 2021.

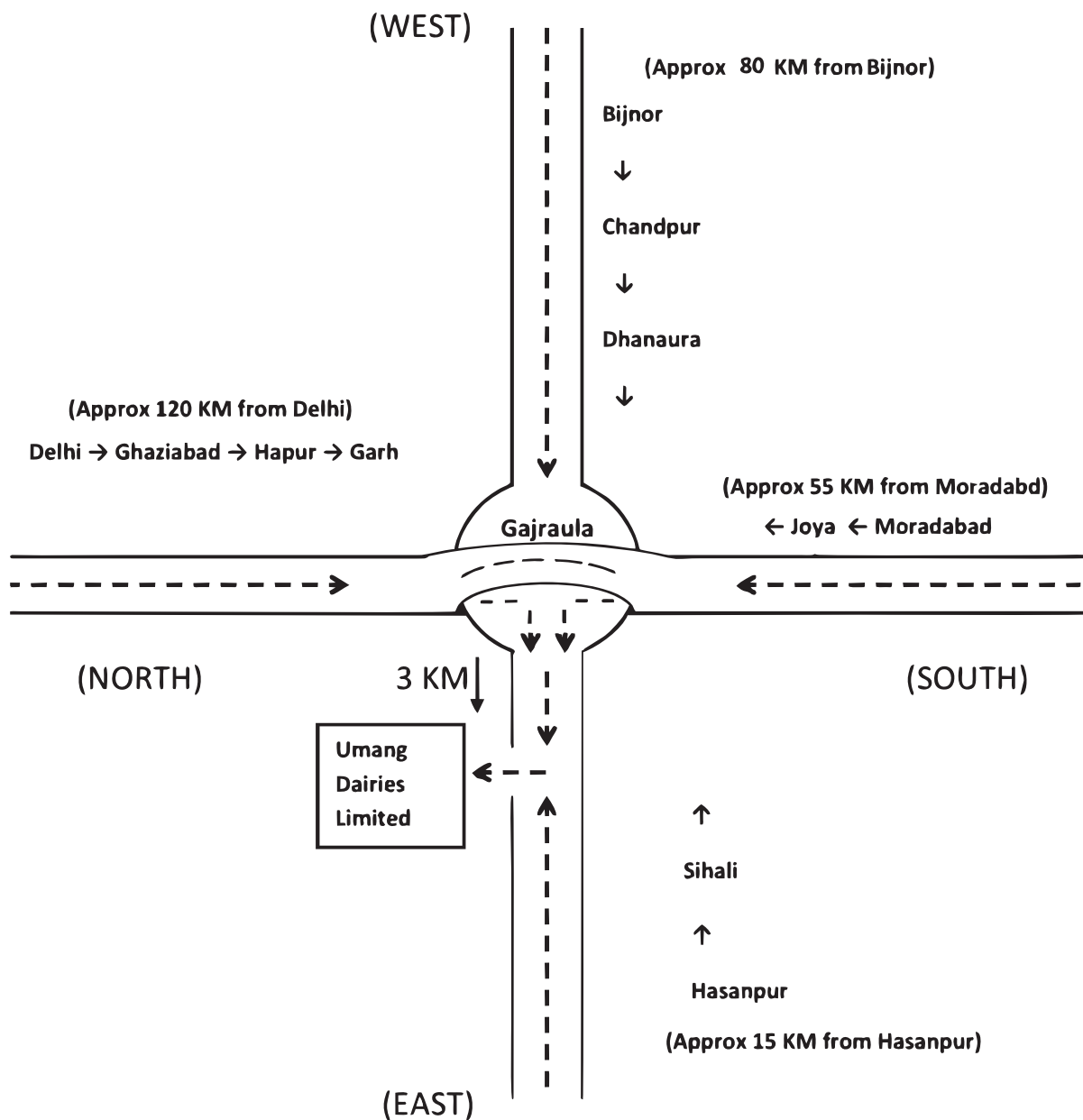
Members who have not claimed their Dividend for the Financial Years 2012-13 onwards may send their unclaimed Dividend Warrants for revalidation to the Company Secretary at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002.

Members are requested to furnish to the Company their Bank particulars to enable the Company to directly credit the dividend amount in their Bank Account through Electronic Clearing Services.
8. As mandated by SEBI, Members holding shares in physical form are required to submit their Permanent Account Number (PAN) and Bank details to the RTA/Company, if not registered with the Company.
9. 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 Secretary at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002. Members holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.
10. Members are requested to quote their Folio No./DP ID- Client ID and details of shares held in physical/demat mode, e-mail ids and Telephone No. for prompt reply to their communications.
11. This Notice also contains a route map of the venue of AGM.



UMANG DAIRIES LIMITED

Route Map to the venue of the 26th Annual General Meeting





UMANG DAIRIES LIMITED

CIN: L15111UP1992PLC014942, Website: www.umangdairies.com

Registered Office: Gajraula- Hasanpur Road, Gajraula – 244 235, Dist. Amroha, Uttar Pradesh

Admin. Office: Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi -110 002

Phone: 011-30179776, Email ID: sharesumang@jkmall.com

ADMISSION SLIP

Folio No. / DP ID / Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 26th Annual General Meeting of the Company being held at Gajraula-Hasanpur Road, Gajraula - 244 235, Dist. Amroha, Uttar Pradesh on **Thursday, the 19th September 2019 at 11.30 A.M.**

Name of the Member (in block letters)	
Name of Proxy Holder /Authorised Representative* (in block letters)	

*Strike out whichever is not applicable

#Applicable for shareholders holding shares in dematerialised form.

Signature of the Member/Proxy/Authorised Representative*

Notes:

1. A Member/Proxy/Authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the time fixed for the Meeting.



UMANG DAIRIES LIMITED

CIN: L15111UP1992PLC014942, Website: www.umangdairies.com

Registered Office: Gajraula- Hasanpur Road, Gajraula – 244 235, Dist. Amroha, Uttar Pradesh

Admin. Office: Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi -110 002

Phone: 011-30179776, Email ID: sharesumang@jkmall.com

PROXY FORM

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

Name of the member(s):	
Registered Address:	
E-Mail ID:	
Folio No./DPID/Client ID:	

I/Webeing the member(s) of Umang Dairies Limited, holdingshares hereby appoint :

- (1) Name: Address:
E-Mail ID: Signature: or failing him/her;
- (2) Name: Address:
E-Mail ID: Signature: or failing him/her;
- (3) Name: Address:
E-Mail ID: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Thursday, the 19th September 2019 at 11.30 A.M. at Gajraula-Hasanpur Road, Gajraula - 244 235, Dist. Amroha, Uttar Pradesh and at any adjournment thereof in respect of the resolutions as are indicated below:

Resolution Number	Resolution
1	Consideration and adoption of audited Financial Statements for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.
2	Declaration of Dividend.
3	Reappointment of Shri Desh Bandhu Doda (DIN: 00165518) as a Director, who retires by rotation.
4	Reappointment of Shri R.C. Periwal (DIN:00168904) by Special Resolution as an Independent Director of the Company for a second term for three consecutive years.
5	Appointment of Shri Manish Bandlish (DIN: 07656983) as Director of the Company.
6	Special Resolution for appointment of Shri Manish Bandlish as Chief Executive Officer & Director of the Company w.e.f. 24 th July 2019 till 23 rd July 2022 and payment of remuneration.
7	Appointment of Shri Amar Singh Mehta (DIN: 00030694) as an Independent Director of the Company for a first term of five consecutive years.
8	Special Resolution for continuation of Shri Desh Bandhu Doda (DIN: 00165518) as a Non-Executive Director of the Company.
9	Authority for payment of remuneration by Special Resolution to non-executive directors including Independent Directors.
10	Approval of payment of annual remuneration for FY ended March 2019 by Special Resolution to Smt. Sharda Devi Singhania, Non Executive Director of the Company.
11	Ratification of remuneration payable to M/s Sanjay Kumar Garg & Associates, Cost Auditors for the financial year ending 31 st March 2020.

Signed this..... Day of..... 2019

**AFFIX
REVENUE
STAMP**

Signature of Shareholder..... Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Gajraula-Hasanpur Road, Gajraula - 244 235, Dist. Amroha (Uttar Pradesh), not less than 48 hours before the commencement of the Meeting. A Proxy need not be a member of the Company.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A proxy holder may vote either for or against each resolution.