

# UMANG DAIRIES LIMITED

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



18<sup>th</sup> August 2023

## Electronic Filing

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

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

Scrip Code No. 500231

Symbol: UMANGDAIRY  
Series : EQ

Dear Sir/Madam,

**Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annual Report for the financial year 2022-23**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith Annual Report of the Company for the financial year 2022-23, along with the Notice of 30<sup>th</sup> Annual General Meeting being sent to those Members by e-mail whose e-mail addresses are registered with the Company/ Depository Participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at [www.umangdairies.com](http://www.umangdairies.com).

Submitted for your kind reference and records.

Thanking you.

Yours faithfully,  
For Umang Dairies Limited

(Pankaj Kamra)  
Company Secretary

Encl: a/a

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



Admn. Office : Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002, Ph. : (011) 66001162, 66001112, Fax : 23739475  
E-mail : [umang@jkmil.com](mailto: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](mailto:udl@umangdairy.com), Website : [www.umangdairies.com](http://www.umangdairies.com), C I N : L15111UP1992PLC014942  
AN ISO 9001 : 2008, HACCP, ISO 14001 : 2004 & OHSAS 18001 : 2007 Certified Company



# UMANG jahan khushiyan wahan

ANNUAL REPORT 2022-23





Umang Dairies strives to create a self-reliant and healthy nation by offering a wide range of milk products with excellent quality, delightful taste, and unmatched purity. Through our range of health-enriching products, we aim to improve the overall quality of life and bring happiness to our consumers.





## **BOARD OF DIRECTORS**

Amar Singh Mehta  
Desh Bandhu Doda  
Virupakshan Kumaraswamy  
Rajiv Sheopuri  
Ramesh Chand Surana  
Poonam Singh

### **ADMINISTRATIVE OFFICE**

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

### **REGISTERED OFFICE**

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

### **AUDITORS**

Singhi & Co.  
Chartered Accountants

### **COMPANY SECRETARY**

Pankaj Kamra

### **BANKERS**

Axis Bank

### **SHARE TRANSFER AGENT**

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

**BOARD'S REPORT AND MANAGEMENT DISCUSSIONS AND ANALYSIS****To the Members,**

The Directors have pleasure in presenting the 30th Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March 2023.

**FINANCIAL RESULTS**

(₹ in crore)

Particulars	2022-23	2021-22
Revenue from Operations and Other Income	294.83	208.08
Profit/(Loss) before Finance Cost and Depreciation (PBIDT)	5.51	(10.23)
Profit/(Loss) before Tax (PBT)	(4.48)	(19.69)
Profit/(Loss) after Tax (PAT)	(3.26)	(14.26)
Surplus brought forward	25.57	40.73
Total amount available for appropriation	22.10	26.47
<b>APPROPRIATIONS:</b>		
General Reserve	0.00	0.00
Dividend (Incl. Tax)	0.00	1.10
Surplus carried forward	22.78	25.57

**DIVIDEND**

In view of losses, the Board has not recommended any dividend for the financial year 2022-23 on equity shares.

**OPERATIONS**

The Revenue from Operations was ₹ 294.84 crore during the year as compared to ₹ 208.08 crore in the previous year.

In 2022-23 overall market situation has improved, and your Company able to regain market share in consumer pack powder category after focused marketing and promotion initiatives. The robust sales growth is driven by growth in across the categories.

India's liquid milk production in 2022-23 impacted by the outbreak of the Lumpy Skin Disease (LSD) in many parts of the country leading to unprecedented increase in Milk prices.

Though milk prices during the year remain high due to higher fodder cost and uneven monsoon which led to prolonged dry spells which has impact the cost and price benefit ratio.

Your Company launched new products based on the consumer requirements, the customized products were well accepted by food service and institutional customers. New customers are being added to expand the business with new customized product offerings.

**Milk Procurement / Raw Material Security**

Your Company enhanced milk procurement capabilities by adding new BMCs and new VLCs to get stable milk supply throughout the year. Your Company provided veterinary and vaccination service during the LSD outbreak, and imparted training for prevention and control the LSD outbreak.

In 2022-23 milk prices have witnessed sharp rise of over 20 per cent, higher prices helped farmer to invest more in milk production, and it will help achieve price stability in future.



## Food Safety

The Company has upgraded its plant to further amendments of FSSC 22000 version 5.0, GMP and Quality Management System as per ISO: 9001 – 2015. 24 Certified Internal Auditors continued their support for compliances across functions at the plant site as well as the front end.

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

Your Company successfully cleared GMP & Food Safety Audits, conducted by the four renowned brands in FY 2022-23. This covers infrastructure and systems in the dairy processing plant for food safety compliance. In-house capability of QA lab is maintained and enhanced the systems and processes.

## INDUSTRY SCENARIO

India remained the largest producer and consumer for dairy products and grown continuously even after COVID or LSD outbreak.

Dairy industry is adopting environment-friendly and climate-smart technologies like mobile milk testing labs, cold chain infrastructure and several digital platform are launched to farmers which with real-time information on milk prices, weather, animal health, dairy farming which is helping farmers to make informed decisions and improve their productivity.

The growth of some value-added product categories witnessed significant growth after COVID due to hygiene and health concern.

## OPPORTUNITIES & THREATS

### Opportunities

- i. Innovation in dairy transportation and cold chain supply infrastructure will bring boost in liquid availability in milk deficient areas of the country.
- ii. Govt. initiative to develop cooperatives at panchayat level will boost milk procurement facilities.
- iii. Product engineering in the value added category and introduction of innovative products, as per the specific requirements of the customers, will bring growth in the coming years.

### Threats

- i. Growth in milk production is not keeping pace with the growth in demand, and higher fodder cost reduces farmers margin and discourages them from making further investments.
- ii. Climate change and delayed summer leading longer dry spells and impacting overall yield of milch animal.

## GROWTH OUTLOOK

Indian Dairy industry has shown steady growth, it will increase its contribution in overall GDP growth. Value-added product categories are expected to deliver a double-digit growth in the coming years. Rapid urbanisation and population growth will help in robust growth of the liquid milk market, which is estimated to grow by 2.0 times in the next 5 years.

## RISKS & CONCERNS

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

## HUMAN RESOURCE MANAGEMENT/ INDUSTRIAL RELATIONS

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



Functional Team projects. Your Company provides various Communication platforms with Senior Leadership to ensure open and transparent feedback from employees.

Industrial Relations remained cordial throughout the year under review.

## INTERNAL CONTROL SYSTEM

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

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

## CAPITAL STRUCTURE

During the year under review, there has been no change in the Authorised and Paid-up share capital of the Company. As on 31st March 2023, the Authorised Share Capital of the Company was ₹ 21 crore and Paid Up Share Capital was ₹ 11 crore. During the year under review, CRISIL Limited has revised the Credit Rating in respect of Company's Long Term and Short Term Bank Facilities at CRISIL BBB-.

## EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of the Companies Act, 2013 ('the Act'), the Annual Return of the Company is available on the website of the Company and can be accessed at <https://www.umangdairies.com/Annual%20Return%202022-23.pdf>

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2023, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is available on the website of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Shri Ramesh Chand Surana (DIN:00089854) was appointed as an Non-Executive Independent Director of the Company w.e.f. 5th August, 2022 for a period of three consecutive years and the requisite resolution in this regard was passed by the Shareholders at the Annual General Meeting (AGM) held on 13th September, 2022. The Board is of the opinion that Shri Ramesh Chand Surana has high integrity and relevant experience.

During the year under review, Shri Ram Chandra Periwal (DIN: 00168904) had ceased to be Director of the Company w.e.f. 19th September 2022 on completion of his second term as Independent Director of the Company and Smt. Sharda Devi Singhania (DIN:01685496) resigned from the Directorship of the Company w.e.f. 4th February 2023. The Board places on record its appreciation for the valuable contributions and guidance received from them during their tenure.

Ms. Pooja Gurwala (DIN:08663866) was appointed as Non-Executive Non-Independent Director of the Company w.e.f. 8th February 2023 and the requisite resolution in this regard was passed by the Shareholders on 23rd March 2023 through Postal Ballot (through remote e-voting only).

Shri Sandeep Bhalla, ceased to be Manager and Whole Time Key Managerial Personnel of the Company under the Act on the close of business hours on 2nd May 2023.



Shri Manish Upadhyaya was appointed as Chief Executive Officer designated as Business Head and Whole time Key Managerial Personnel w.e.f. 19th May 2023.

Shri A.S. Mehta (DIN: 00030694), retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM of the Company.

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

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

## **CORPORATE SOCIAL RESPONSIBILITY**

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

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

Annual Report on CSR activities during the financial year ended 31st March 2023, in the prescribed format, is annexed to this Report as Annexure-1 and forms part of it.

## **AUDITORS & THEIR REPORTS**

### **(a) Statutory Auditors**

In accordance with the provisions of the Act and the Rules made thereunder, M/s Singhi & Co., Chartered Accountants, were reappointed as Statutory Auditors of the Company for their second term of five consecutive years from the conclusion of the 29th AGM till the conclusion of the 34th AGM to be held in the year 2027.

The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed.

### **(b) Secretarial Auditor**

The Board of Directors had appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2022-23. The Report given by him for the said financial year in the prescribed format, pursuant to the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations, is annexed to this Report as Annexure-2 and forms part of it. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **(c) Cost Auditor**

In accordance with the provisions of Section 148(1) of the Act, the Company has maintained cost accounts and records. The Cost Audit for the financial year ended 31st March 2022 was conducted by M/s Sanjay Kumar Garg & Associates, Cost Accountants, and the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the Cost Records for the financial year ended 31st March 2023, is being conducted by the said firm and the Report will also be filed with the Ministry of Corporate Affairs, Government of India.





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

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

## **MATERIAL CHANGES AND COMMITMENTS**

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

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

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

## **CONSERVATION OF ENERGY ETC.**

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

## **PARTICULARS OF REMUNERATION**

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-4 and forms part of it. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, also form part of this Board Report. However, in terms of provisions of Section 136 of the Act, the Annual Report for the financial year 2022-23 is being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company on working days during working hours.

## **CORPORATE GOVERNANCE**

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

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

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

## **DEPOSITS**

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

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

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



## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## CAUTIONARY STATEMENT

Management Discussion and Analysis Report contains forward looking statements which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. These are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise such forward looking statements, on the basis of any subsequent development, information or events.

## ACKNOWLEDGEMENT

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

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

**On behalf of the Board of Directors**

**Place: New Delhi**  
**Date: 19.05.2023**

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

**(D.B. Doda)**  
**Director**

## ANNUAL REPORT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2023

### 1. Brief outline on CSR Policy of the Company:

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

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

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri A.S. Mehta	Member, Non-Independent Director	2	2
2	Shri D.B. Doda	Member, Independent Director	2	2
3	Shri V. Kumaraswamy*	Member, Non-Independent Director	2	0
4	Shri R. C. Perival**	Chairman of the Committee, Independent Director	2	1
5	Smt. Sharda Singhania***	Member, Non-Independent Director	2	0

\*Shri V. Kumaraswamy nominated as Member of the Committee w.e.f. 8th February 2023.

\*\*Shri R.C. Perival ceased to be Chairman/Member of the Committee w.e.f. 19th September 2022.

\*\*\*Smt. Sharda Singhania nominated as Chairperson/Member of the Committee w.e.f. 19th September 2022 and ceased to be Chairperson Member of the Committee w.e.f. 4th February 2023

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company; <https://www.umangdairies.com/pdf/CSRPolicy.pdf>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not Applicable
5.
 

(a) Average Net Profit/(Loss) of the Company as per sub section (5) of section 135;	₹ (231) lac
(b) Two percent of average net profit of the Company as per sub section (5) of section 135(5);	Nil
(c) Surplus arising out of the CSR projects or programmes: or activities of the previous financial years;	Nil
(d) Amount required to be set off for the financial year if any;	Nil
(e) Total CSR obligation for the financial year [(b) +(c)-(d)]:	Nil
6.
 

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects);	Nil
(b) Amount spent in Administrative Overheads:	Nil
(c) Amount spent on Impact Assessment, if applicable:	Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:

Nil

(e) CSR amount spent or unspent for the financial year:

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

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

Sl. No.	Particular	Amount (₹ in lac)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

**7. Details of Unspent CSR amount for the preceding three financial years:**

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (₹ in lac)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹ in lac)	Amount spent in the reporting Financial Year (₹ in lac).	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years. (₹ in lac)	Deficiency, if any
					Amount (Rs in lac)	Date of Transfer		
1	2021-22	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2019-20	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135: Not Applicable

Place: New Delhi  
Date: 19th May 2023

(A.S. Mehta)  
Director

(D.B. Doda)  
Director



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Umang Dairies Limited (CIN: L15111UP1992PLC014942)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** (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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - (Not applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - (Not applicable to the Company during the Audit Period);



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021- (Not applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- (Not applicable to the Company during the Audit Period),
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the Company during the Audit Period); and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed that Food Safety and Standards Act, 2006, as being specifically applicable to the Company and complied with.

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

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

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

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

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

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

**I further report that**, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meeting(s), there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

This report is to be read alongwith the following-

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



4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: 17.5.2023**  
**UDIN: F000234E000319223**

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



## ANNEXURE-3

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

**A) CONSERVATION OF ENERGY**

These steps taken on conservation / alternate source of energy:

- a. Open Access Power Trading through IEX, Reduction of Power Cost.
- b. Roof Top Solar Plant @700 KWp installed to reduce Grid Power consumption.
- c. Power Factor Devise provided in HT Line to maintain Power Factor.

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

Following projects have been initiated, completed and in partly completed during Financial Year 2022-23:

- a. SMBC belt installation in Boiler Power Plant to save Man Power.
- b. Scrap Movement Battery operated trolley provided to Production to save Manpower.
- c. HAG Furnace Modification and Shoot Blowing system installed to improved temperature efficiency and reduction of fuel.
- d. Paneer product Capacity enhanced.
- e. HAG Bag Filter installed to meet pollution control board norms.

**C) RESEARCH & DEVELOPMENT**

No amount was spent on Research & Development.

**D) FOREIGN EXCHANGE EARNINGS AND OUTGO**

	(₹ in Lac)
Foreign Exchange Earnings	106.16
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 FY 2022-23:**

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company- Smt. Sharda Devi Singhania, 0.25 (ceased to be Director w.e.f. 4.2.2023); Shri R.C. Periwal, 0.53 (ceased to be director w.e.f 19th September 2022 due to completion of his second term as an Independent Director); Shri A.S. Mehta, 1.03; Shri V. Kumaraswamy, 0.33; Shri D.B. Doda, 1.17; Shri Rajiv Sheopuri, 0.50; Shri Ramesh Chand Surana, 0.31; (appointed w.e.f. 5.8.2022); Ms. Pooja Gurwala, 0.08 (appointed w.e.f. 8.2.2023).
- B. The percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, in the financial year 2022-23 - Smt. Sharda Devi Singhania, Not applicable since ceased to be Director w.e.f. 4.2.2023; Shri R.C. Periwal, Not applicable since ceased to be Director w.e.f. 19.9.2023; Shri A.S. Mehta, (2.63%); Shri V. Kumaraswamy, Not applicable as was appointed as Director during part of the financial year 2021-22; Shri D.B. Doda, 28.66%; Shri Rajiv Sheopuri, as was appointed as Director during part of the financial year 2021-22; Shri Ramesh Chand Surana, Not applicable as was appointed as Director during part of the financial year 2022-23; Ms. Pooja Gurwala, Not applicable as was appointed as Director during part of the financial year 2022-23; Shri Sandeep Bhalla, Manager, 8.50%; Shri Puneet Garg, Chief Financial Officer, 5.80% and Shri Pankaj Kamra, Company Secretary, 3.83%.
- C. The percentage increase in the median remuneration of employees – 0.67%. The number of permanent employees on the rolls of Company as on 31st March 2023 – 322.
- D. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2022-23 was 6%. Increase in the managerial remuneration for the same financial year was: 8.50%. Increase in Managerial remuneration is based on many factors such as company performance, remuneration policy, market competitiveness.
- E. We affirm that the remuneration paid during the financial year 2022-23 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: 19th May 2023**

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

**(D.B. Doda)  
Director**

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of Governance:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

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

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

### 2. Board of Directors:

The Board of Directors consists of six Non-Executive Directors as on 31st March 2023, out of which, three are Independent Directors. Four Board Meetings were held during the financial year 2022-23 i.e., on 20th May 2022, 5th August 2022, 3rd November 2022 and 8th February 2023. Attendance and other details of the Directors for the financial year ended 31st March 2023 are given below:

S. No. <sup>a</sup>	Name of Directors	Category	No. of Board Meetings attended	Whether attended last AGM (13.09.2022)	No. of other Directorships and Committee Memberships/ Chairmanships		
					Other Directorships <sup>b</sup>	Other Committee Memberships <sup>c</sup>	Other Committee Chairmanships <sup>c</sup>
1.	Shri A.S. Mehta	Non-Executive Non-Independent	4	Yes	8	3	-
2.	Shri V. Kumaraswamy	Non-Executive Non-Independent	4	Yes	4	1	-
3.	Shri D. B. Doda	Independent	4	Yes	-	-	-
4.	Shri Rajiv Sheopuri	Independent	4	Yes	-	-	-
5.	Shri R.C. Surana (appointed w.e.f. 5th August 2022)	Independent	3	Yes	2	3	1
6.	Ms. Pooja Gurwala (appointed w.e.f. 8th February 2023)	Non-Executive Non-Independent	1	N.A.	1	-	-
7.	Shri R. C. Periwal* (ceased w.e.f. 19th September 2022)	Independent	2	Yes	N.A.	N.A.	N.A.
8.	Smt. Sharda Devi Singhania (ceased w.e.f. 4th February 2023)	Non-Executive Non-Independent	3	Yes	N.A.	N.A.	N.A.

N.A.- Not Applicable

\*Shri R.C. Periwal ceased to be Director of the Company on completion of his second term as Independent Director of the Company.

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

Based on the declarations received from the Independent Directors, the Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

- a. DIN of the above named Directors in seriatim: 1. 00030694, 2. 02443804, 3. 00165518, 4. 03450185, 5. 00089854 and 6. 08663866, 7. 00168904 and 8. 01685496.
- b. excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.
- c. only includes Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

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

### **Details of Directorships in other Listed companies and the category of Directorships:**

Name of Director : Name of the Listed Company (Category of Directorships)

Shri A.S. Mehta is Executive Director in JK Paper Limited.

Shri R.C. Surana is Independent Director in Kamdhenu Limited and Kamdhenu Ventures Limited.

Note: Other Directors do not hold directorship in any other listed Company.

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

None of the Directors are related to each other.

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

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

In accordance with the provisions of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8th February 2023. Shri D.B. Doda 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 familiarisation programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is:

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

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

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

The core skills, experience and knowledge of individual Directors are: (a) Shri A. S. Mehta – professional having operational, marketing, financial & industry experience and corporate governance skill; (b) Shri V. Kumaraswamy – Finance, law and corporate governance skill; (c) Shri D. B. Doda – sales & marketing and operations; (d) Shri Rajiv Sheopuri - sales & marketing; (e) Shri R.C. Surana – operational, marketing, finance & industry experience and corporate governance skill and Ms. Pooja Gurwala – professional and corporate governance skill.

## 6. Performance Evaluation

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

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

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

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

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

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

## 7. Audit Committee:

The Composition and the “Terms of Reference” of the Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Four meetings of the Committee were held during the financial year 2022-23.

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

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

\*Shri Rajiv Sheopuri nominated as Member of the Committee w.e.f. 19.9.2022

\*\*Shri R.C. Periwal ceased to be Member of the Committee w.e.f. 19.9.2022

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

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

Dates of meetings	No. of Members attended
20th May 2022	3
5th August 2022	3
3rd November 2022	3
8th February 2023	3

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

## 8. Stakeholders' Relationship Committee:

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

One meeting of the Committee was held during the financial year 2022-23.

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

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

\*Shri R.C. Surana nominated as Member of the Committee w.e.f. 19.9.2022.

\*\*Shri R.C. Perival ceased to be Chairman and Member of the Committee w.e.f. 19.9.2022

The Stakeholders Relationship Committee does not have a designated Chairman. The members of the Stakeholders Relationship Committee present at each meeting elect one of the Non-Executive Directors to be the Chairman of the meeting.

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

Dates of meetings	No. of Members attended
3rd November 2022	3

Shri Pankaj Kamra, Company Secretary is the Compliance Officer.

No investor complaint was received during the financial year ended 31st March 2023. There are no pending complaints as on 31st March 2023.

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

During the financial year 2022-23, 8 meetings of the said Share Transfer Committee of Directors were held.

## 9. Corporate Social Responsibility Committee:

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

Two Meetings of the Committee were held during the financial year 2022-23.

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

Name	Position	Category	No. of Meetings attended
Shri A.S. Mehta	Member	Non-Executive Non-Independent	2
Shri D.B. Doda	Member	Independent Director	2
Shri V. Kumar-aswamy*	Member	Non-Executive Non-Independent	N.A.
Shri R.C. Perival**	Chairman	Independent Director	1
Smt. Sharda Devi Singhanian***	Chairperson	Non-Executive Non-Independent	N.A.

\*Shri V. Kumaraswamy nominated as Member of the Committee w.e.f. 8.2.2023.

\*\*Shri R.C. Perival ceased to be Chairman and Member of the Committee w.e.f. 19.9.2022.

\*\*\*Smt. Sharda Devi Singhanian nominated as Chairperson and Member of the Committee w.e.f. 19.9.2022 and ceased to be Chairperson and Member of the Committee w.e.f. 4.2.2023.

The Corporate Social Responsibility Committee does not have a designated Chairman. The members of the Corporate Social Responsibility Committee present at each meeting elect one of the Directors to be the Chairman of the meeting.

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

Date of meetings	No. of Members attended
20th May 2022	3
8th February 2023	2



**10. Nomination and Remuneration Committee:**

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

Three meetings of the Committee were held during the financial year 2022-23.

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

Name	Position	Category	No. of Meetings attended
Shri A.S. Mehta	Member	Non-Executive Non-Independent	3
Shri D. B. Doda	Member	Independent Director	3
Shri Rajiv Sheopuri*	Member	Independent Director	1
Shri R. C. Perival**	Member	Independent Director	2

\*Shri Rajiv Sheopuri nominated as Member of the Committee w.e.f. 19.9.2022.

\*\*Shri R.C. Perival ceased to be Member of the Committee w.e.f. 19.9.2022.

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

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

Dates of meetings	No. of Members attended
20th May 2022	3
5th August 2022	3
8th February 2023	3

During the financial year 2022-23, attendance of Directors/ Members of the Committees in Board/Committee meetings includes participation through Video Conferencing or Other Audio Visual Means. The Company Secretary acts as the Secretary of all the Committees of the Board.

**11. Nomination and Remuneration Policy:**

In accordance with the provisions of the Act and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management of the

Company including criteria for determining qualifications, positive attributes, and independence of a Director as well as a policy on Board Diversity. The said policy is available at the website of the Company and the weblink for the same is

[https://www.umangdairies.com/images/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.umangdairies.com/images/Nomination_and_Remuneration_Policy.pdf) The said policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment of a Director of the Company: (a) Qualifications & Experience (b) Positive attributes like respect for Company’s core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as an Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws & regulations and should have the capabilities identified in the description of the role and capabilities required of an independent director as may be prepared by the Committee. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The evaluation of performance of the Board, its Committees and individual Directors will be carried out by the Board, in the manner specified by the Committee from time to time and in accordance with other applicable provisions of the Act and the Listing Regulations, in this regard.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board

diversity in mind in recommending any new name of Director for appointment to the Board.

- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by Senior Personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## 12. Remuneration Paid to the Directors

Details of sitting fees paid by the Company to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate meeting of Independent Directors) during the financial year 2022-23 are as follows: Shri A.S. Mehta: ₹ 3.70 lac; Shri V. Kumaraswamy: ₹ 1.20 lac; Shri D.B. Doda: ₹ 4.22 lac; Shri Rajiv Sheopuri: ₹ 1.80 lac; Shri R.C. Surana: ₹ 1.10 lac; Shri R.C. Perival: ₹ 1.90 lac; Smt. Sharda Devi Singhania: ₹ 0.90 lac and Ms. Pooja Gurwala: 0.30 lac.

The Company has not paid any Commission to the Non-Executive Directors for the financial year 2022-23.

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

## 13. General Body Meetings

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

Financial Year	Location	Date	Time
2019-20	Through Video Conferencing (Deemed venue of the meeting: Registered Office: Gajraula - Hasanpur Road, Gajraula-244235, Distt. Amroha, Uttar Pradesh)	16.09.2020	11.30 A.M.

Financial Year	Location	Date	Time
2020-21	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	16.09.2021	12.30 P.M.
2021-22	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	13.09.2022	12.30 P.M.

- (B) Special Resolutions (SRs) passed in previous three Annual General Meetings: Three SRs were passed at the Annual General Meeting (AGM) held on 16th September 2020, Four SRs were passed at the AGM held on 16th September 2021 and One SR was passed at the last AGM held on 13th September 2022.
- (C) During the financial year 2022-23, one Resolution was passed through Postal Ballot by voting through electronic means ("remote e-voting") for appointment of Ms. Pooja Gurwala (DIN: 08663866) as Non-Executive Non-Independent Director of the Company liable to retire by rotation w.e.f. 8th February 2023. % of votes cast in favour of the Resolution was 99.997% and % of votes cast against the Resolution was 0.003%.

In conformity with the applicable provisions of the Act and the Rules made thereunder read with the applicable General Circulars issued by the Ministry of Corporate Affairs, the Company had provided remote e-voting facility to its Members to enable them to cast their vote electronically only instead of submitting the Postal Ballot Form physically. Central Depository Services (India) Limited (CDSL) was engaged to provide remote e-voting facility to its Members to enable them to cast their vote electronically. Shri Namu Narain Agarwal, Company Secretary in Practice, was appointed as the Scrutinizer, for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner. After receiving the Scrutinizer's Report, it was announced that aforesaid Special Resolution had been passed with requisite majority on 23rd March 2023.

- (D) There is no immediate proposal for passing any resolution through postal ballot.

## 14. DISCLOSURES:

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

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

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

The Company has a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <https://www.umangdairies.com/images/Related-Party-Transaction-Policy-2020.pdf>

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

- (iii) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 7th August 2014 has formulated a Vigil Mechanism/Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

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

- (iv) Prevention of Sexual Harassment of Women at Workplace: The Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up a Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. During the financial year ended 31st March 2023, no complaint has been filed with ICC with allegation of sexual harassment. Further, there

were no complaints pending as at the end of the financial year ended 31st March 2023.

- (v) Risk Management: The Company has an elaborate Risk Management System to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure the executive management controls risk through means of a properly defined framework.
- (vi) Disclosure of commodity price risks and commodity hedging activities: The Company manages fluctuations in raw material prices through stocking by advance procurement when the prices are perceived to be low and also enters into annual buying contracts as strategic sourcing initiative in order to keep raw material availability and prices under check.
- (vii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: During the financial year ended 31st March 2023, the Company has not raised any funds through preferential allotment or qualified institutions placement.
- (viii) A certificate has been issued by Shri Namoo Narain Agarwal, Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.
- (ix) There were no instances where the Board had not accepted any recommendation of any Committees of the Board which is mandatorily required during the financial year ended 31st March 2023.
- (x) During the financial year ended 31st March 2023, the Company has paid total fees of ₹ 6.23 lac, to the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, for various services including statutory audit. Further, no fees was paid by the Company to any entity in the network firm/network entity of which the Statutory Auditors are part.
- (xi) Subsidiary Companies: During the financial year, the Company did not have any Subsidiary Company.

The Company has a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations. This Policy is available on the website of the Company and the weblink for the same is

[https://www.umangdairies.com/images/Policy\\_for\\_Determining\\_Material\\_Subsiidiary\\_revised.pdf](https://www.umangdairies.com/images/Policy_for_Determining_Material_Subsiidiary_revised.pdf)





During the financial year 2022-23, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of the Listing Regulations.

- (xii) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:** During the financial year ended 31st March 2023, the Company has not given any loans to firms or companies in which directors are interested. The Company does not have any Subsidiary.

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

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

## 16. General Shareholders' Information:

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

(a) Date and Time : Monday, 11th September 2023 at 12.30 P.M.

Venue : At the Registered Office of the Company i.e. Gajraula Hasanpur Road, Gajraula – 244 235, Distt. Amroha, Uttar Pradesh or on such other date/time/place or through video conferencing / other permissible audio visual means as may be decided by the Committee of Directors.

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

(ii) **Book Closure** : Tuesday, 5th September 2023 to Monday, 11th September 2023 (both days inclusive)

(iii) **Dividend Payment Date** : Not Applicable

(iv) **Financial Year** : April 1 to March 31

### (v) Financial Calendar (tentative)

: Year Ending March 31

Financial Reporting :

- (a) 1st Quarter ending June 30, 2023
  - (b) 2nd Quarter ending September 30, 2023
  - (c) 3rd Quarter ending December 31, 2023
  - (d) Annual and 4th Quarter ending March 31, 2024
  - (e) Annual General Meeting for the financial year ending March 31, 2024
- Within 45 days of the end of the quarter or within such time limits as may be permissible.
- Within 60 days of the end of the 4th quarter or within such time limits as may be permissible.
- Between July and September 2024

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

BSE Limited (Stock Code-500231) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	National Stock Exchange of India Ltd. (Stock Code – UMANGDAIRY) “Exchange Plaza” Bandra-Kurla Complex, Bandra (East) Mumbai-400 051
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The annual listing fee for the financial year 2023-24 has been paid to both the aforesaid Stock Exchanges.

### (vii) Stock Market Price Data:

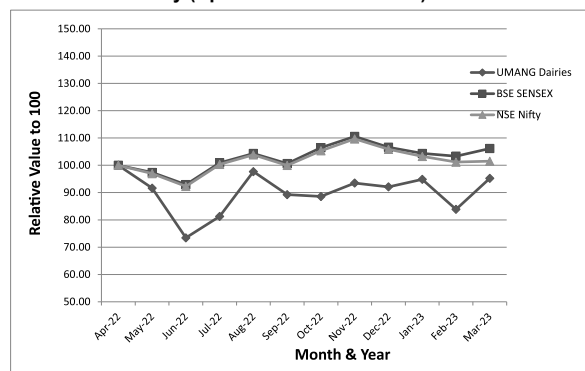
Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
<b>2022</b>				
April	80.35	60.85	80.00	61.05
May	75.00	56.45	68.00	56.50
June	65.80	44.55	63.50	43.65
July	59.00	47.50	58.00	47.25
August	69.80	53.15	69.40	53.30
September	74.00	58.45	73.95	58.30
October	62.60	56.00	62.75	56.60
November	70.10	56.30	70.50	58.00
December	72.30	57.25	71.80	57.10



Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
<b>2023</b>				
January	78.40	60.00	78.60	60.20
February	65.00	55.15	66.10	55.80
March	62.00	49.51	62.10	49.00

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

**(viii) Umang Dairies Ltd.'s Share Performance vs. BSE Sensex and NSE Nifty (April 2022 to March 2023)**



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

**(ix) Dematerialisation of shares and liquidity:** The Equity Shares of the Company are presently tradable in compulsory demat segment. The ISIN for Equity Shares of the Company for both the depositories is INE864B01027. As on 31st March 2023, 97.37% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in dematerialised form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. The Company will not be in a position to process such requests.

**(x) Share Transfer System:** SEBI has mandated that securities of listed companies can be transferred/traded only in dematerialised form. Further, SEBI vide its circulars/notifications, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/ splitting/ consolidation of certificate, transmission and transposition be also processed in dematerialised form only. On receipt of any such request the Company/RTA will issue a "Letter of Confirmation", in the prescribed format.

In case of shares held in dematerialised form, the transfers are processed by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

**(xi) (a) Distribution of Equity of shareholding (both in physical and electronic form) as on 31st March, 2023:**

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	16424	93.50	18,33,227	8.33
501 to 1,000	639	3.63	5,28,925	2.40
1,001 to 5,000	439	2.50	9,15,119	4.16
5,001 to 10,000	40	0.23	2,75,238	1.25
Over 10,000	24	0.14	1,84,50,691	83.86
<b>Total</b>	<b>17566</b>	<b>100.00</b>	<b>2,20,03,200</b>	<b>100.00</b>

**(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March, 2023:**

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	1,75,00,642	79.54
Resident Individuals & Trusts	44,24,275	20.11
FIs, Mutual Funds, Banks/NBFCs	7918	0.03
Foreign Investors/ FIIs / NRIs	70365	0.32
<b>Total</b>	<b>2,20,03,200</b>	<b>100.00</b>

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

**(xiii) Commodity price risk or foreign exchange risk and hedging activities:** The Company is subject to the Commodity price risk due to fluctuation price of Dairy Commodities. Further the Company is not subject to foreign exchange risk and therefore, was not required to undertake any hedging activities in this regard.

**(xiv) Plant location:**

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

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

1. Registrar and Share Transfer Agent (RTA)  
MAS Services Ltd.  
T-34, 2nd Floor  
Okhla Industrial Area  
Phase – II  
New Delhi – 110 020  
Ph. 011-26387281/82/83  
E-mail: investor@masserv.com  
Website: www.masserv.com



2. Company Secretary  
Umang Dairies Limited  
Gulab Bhawan  
(Rear Block – 3rd Floor)  
6A, Bahadur Shah  
Zafar Marg New Delhi – 110 002  
Ph. 011- 68201776  
Fax No. 011- 23739475  
E-mail: csudl@jkmmail.com  
Website: www.umangdairies.com

**(xvi) List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2023:**

During the year under review, CRISIL Limited has revised the Credit Rating in respect of Company's Long Term and Short Term Bank Facilities from CRISIL BBB to CRISIL BBB-.

**(xvii)** This Corporate Governance Report of the Company for the financial year ended 31st March 2023 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

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

(a) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.umangdairies.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (b) Modified opinion(s) in audit report: The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements of the Company for the financial year ended 31st March 2023;

(c) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Presently, the Company does not have any Managing Director or Chief Executive Officer. The Directors present at the meeting elect one of the Non-Executive Directors as Chairperson of the meeting; and (d) Reporting of Internal Auditor: The Internal Auditor of the Company reports to the Audit Committee and Internal Audit Reports are placed before the Audit Committee.

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

**(xx) Disclosure with respect to demat suspense account/ unclaimed suspense account:** There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2022-23. Further, during the financial year 2022-23, the Company had transferred 73,181 Equity Shares to Investor Education and Protection Fund Authority pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

## 17. Declaration:

It is hereby declared that all the members of the Board and Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of Umang Dairies Limited" during the financial year ended 31st March 2023.

**A.S. Mehta**  
Director



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

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

1. The Corporate Governance Report prepared by Umang Dairies Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023. This certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

### MANAGEMENT'S RESPONSIBILITY

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

### AUDITOR'S RESPONSIBILITY

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

### OPINION

7. Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 1 above.

### OTHER MATTERS AND RESTRICTION ON USE

8. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
9. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

**Bimal Kumar Sipani**  
Partner

Membership No. 088926  
UDIN : 23088926BGXBAS3921

Date: May 19, 2023  
Place: Noida (Delhi – NCR)

**INDEPENDENT AUDITOR’S REPORT**

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

**Opinion**

We have audited the accompanying financial statements of Umang Dairies Limited (“the Company”), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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



Key audit matters	How our audit addressed the key audit matter
<b>B. Valuation of inventories</b>	
<p>We refer to note 1 and 7 to the financial statements.</p> <p>As at March 31, 2023, the total carrying value of inventories was ₹ 7407.83 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date.</p> <p>We found management's assessment of the allowance for inventory obsolescence and valuation of inventories to be reasonable based on available evidence.</p>

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

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

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

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

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

**Responsibilities of Management for the Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the



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

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors and manager as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There was no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or

in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. The Company has not declared and paid dividend during the year. Therefore, provisions of section 123 of the Act is not applicable to the Company.
- (h) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Therefore, reporting in this regard is not applicable.
- 3. In our opinion and according to the information and explanations given to us, the managerial remuneration paid/ provided by the Company for the year ended March 31, 2023 is in accordance with the provisions of section 197 read with Schedule V to the Act;

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

Bimal Kumar Sipani  
Partner

Membership No. 088926  
UDIN : 23088926BGXBAS3921

Date: May 19, 2023  
Place: Noida (Delhi – NCR)



**Annexure A**
**To Independent Auditor's Report of even date to the members of Umang Dairies Limited on the financial statements as of and for the year ended March 31, 2023 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)**

- (i) a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment except in case of certain assets where the same is in process of updation.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the Company and nature its property, plant and equipment. However, the Company has not carried out physical verification of property, plant and equipment during the year.
- c. Based on the records examined by us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) and included in property, plant & equipment and right of use assets [note no. 2 and 3 to the financial statements] are held in the name of the Company.
- d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) a. The management has conducted physical verification of inventories during the year at reasonable interval and in our opinion, the coverage and procedure of such verification by the management is appropriate.
- No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verifications.
- b. As per the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, value of stock, trade receivable and other receivables reported in the Financial Follow-up Reports filed on each quarter end by the Company with bankers are in agreement with the books of accounts except for the quarter ended March 31, 2023 which is yet to be filed.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or



complete.

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

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

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

Name of Statute	Nature of disputed dues	Amount * (₹ in Lakhs)	Period to which it relates	Forum where dispute is pending
Sales-tax, Punjab	Sales Tax Demand/ Penalty/ Interest	1.78	1994-95 and 1998-2000	Sales tax Tribunal, Punjab
Sales-tax, Rajasthan	Sales Tax Demand/ Penalty/ Interest	40.65	1995 to 2007	Sales tax Tribunal, Rajasthan
		3.00	1995-96	High Court, Rajasthan
Value Added Tax, Uttar Pradesh	Reversal of Input tax Credit	3.76	2010-11	High Court, Allahabad
	Reversal of Input tax Credit	4.17	2014-15	Sales tax Tribunal, Moradabad
Mandi Samiti Tax	Mandi Tax	162.89	1998-99, 2003-04 to 2005-06	District Court, Amroha
Uttar Pradesh Milk Act	Milk Cess on purchase of Milk	69.26	1994-96	High Court, Allahabad
National Green Tribunal Act, 2010	Environment compensation	385.44	2022	Supreme Court of India

\*Net of amount paid under protest.

- (viii) According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) a. The Company has not defaulted in repayment of loan and in the payment of interest thereon during the year.
- b. According to information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- c. Based on books examined by us, term loan taken during the year, was applied for the purpose for which the loan was obtained.
- d. According to information and explanations given by the management, no funds raised on short term basis have been utilized for long term purposes.
- e. The Company has no subsidiaries, joint ventures or associate. Therefore, the provisions of clause 3(ix) (e) and 3(ix)(f) of the Order are not applicable to the Company.

- (x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b. According to the information and explanation given to us and to the best of our knowledge, no report under subsection (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of



Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

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

Date: May 19, 2023  
Place: Noida (Delhi – NCR)

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E  
Bimal Kumar Sipani  
Partner  
Membership No. 088926  
UDIN : 23088926BGXBAS3921



## **Annexure B**

### **To Independent Auditor's Report of even date to the members of Umang Dairies Limited on the financial statements for the year ended March 31, 2023 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)**

We have audited the internal financial controls with reference to financial statements of Umang Dairies Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and

their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

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

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

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,



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

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial

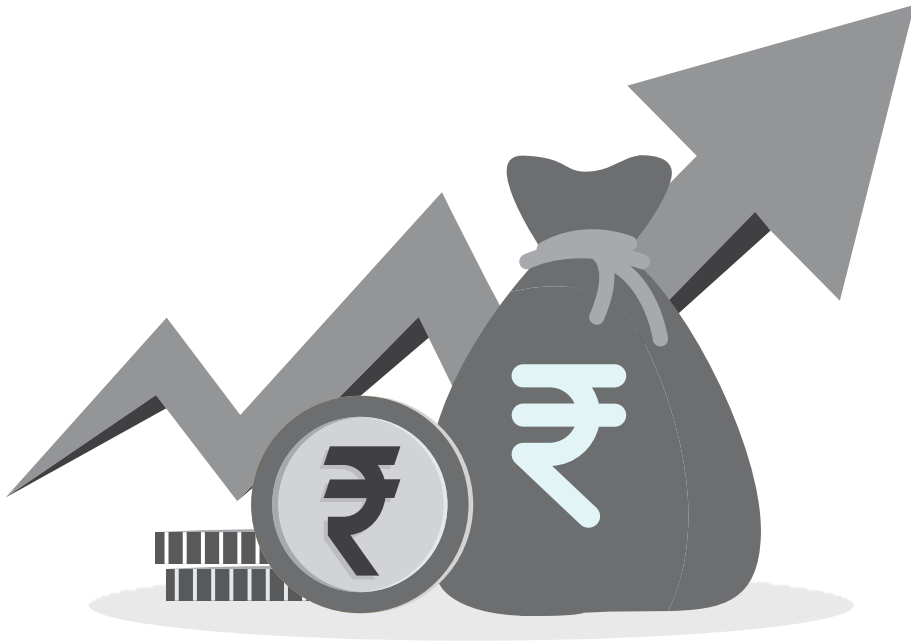
statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however the same needs to be further strengthened.

Date: May 19, 2023  
Place: Noida (Delhi – NCR)

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

Bimal Kumar Sipani  
Partner  
Membership No. 088926  
UDIN : 23088926BGXBAS3921

# FINANCIAL SECTION





Balance Sheet as at 31st March, 2023

(₹ Lakhs)

S. No.	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>A</b>	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Property, plant and equipment	2	7,309.71	7,682.74
	(b) Capital work-in-progress	2A	1.70	2.88
	(c) Right of use assets	3	194.93	221.86
	(d) Intangible assets	4	33.82	3.66
	(e) Financial assets			
	(i) Other financial assets	5	162.06	61.49
	(f) Other non-current assets	6	21.33	24.30
	<b>Sub Total</b>		<b>7,723.55</b>	<b>7,996.93</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	7	7,407.83	5,273.05
	(b) Financial assets			
	(i) Trade receivables	8	451.45	1,094.63
	(ii) Cash and cash equivalents	9	220.84	113.79
	(iii) Other bank balances other than (ii) above	10	40.00	46.41
	(iv) Other financial assets	11	13.08	8.94
	(c) Current tax assets (Net)		133.14	99.71
	(d) Other current assets	12	530.03	315.20
	<b>Sub Total</b>		<b>8,796.37</b>	<b>6,951.73</b>
	<b>TOTAL ASSETS</b>		<b>16,519.92</b>	<b>14,948.66</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>EQUITY</b>			
	(a) Equity share capital	13	1,100.16	1,100.16
	(b) Other equity		3,286.86	3,565.61
	<b>Sub Total</b>		<b>4,387.02</b>	<b>4,665.77</b>
(2)	<b>LIABILITIES</b>			
(i)	<b>Non-current Liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	14	1,830.00	2,011.67
	(ii) Lease liabilities		205.05	228.54
	(iii) Other financial liabilities	15	11.00	11.00
	(b) Provisions	16	199.47	295.64
	(c) Deferred tax liabilities (Net)	17	244.98	348.37
	(d) Other non-current liabilities	18	978.98	969.67
	<b>Sub Total</b>		<b>3,469.48</b>	<b>3,864.89</b>
(ii)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	19	3,594.42	3,323.03
	(ii) Lease liabilities		23.49	21.31
	(iii) Trade payables			
	Total outstanding dues of micro and small enterprises		25.63	29.45
	Total outstanding dues of creditors other than micro and small enterprises	20	2,641.92	2,032.37
	(iv) Other financial liabilities	21	813.65	595.76
	(b) Other current liabilities	22	1,548.71	405.63
	(c) Provisions	23	15.60	10.45
	<b>Sub Total</b>		<b>8,663.42</b>	<b>6,418.00</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,519.92</b>	<b>14,948.66</b>

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

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For and on behalf of the Board of Directors

As per our report of even date attached.  
For **Singhi & Co.**  
Chartered Accountants  
Firm Reg No. 302049E

**Desh Bandhu Doda**  
(Director)  
DIN : 00165518

**Amar Singh Mehta**  
(Director)  
DIN : 00030694

**Bimal Kumar Sipani**  
Partner  
M.No. 088926  
Place: Noida (Delhi-NCR)  
Date: May 19, 2023

**Pankaj Kamra**  
(Company Secretary)

**Puneet Garg**  
(Chief Financial Officer)

**Statement of Profit and Loss for the period ended 31st March, 2023**

(₹ Lakhs except EPS)

S. No.	Particulars	Note No.	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I.	Revenue from operations	24	29,283.23	20,400.72
II.	Other income	25	200.68	407.41
III.	<b>Total Income (I+II)</b>		<b>29,483.91</b>	<b>20,808.13</b>
IV.	<b>Expenses</b>			
	Cost of materials consumed	26	22,020.37	12,911.52
	Purchase of stock in trade		70.98	136.71
	Change in inventories of finished goods, work-in-progress and stock in trade	27	(2,170.65)	999.28
	Employee benefits expense	28	2,493.14	2,411.04
	Finance costs	29	487.37	431.04
	Depreciation and amortization expense	30	511.61	515.67
	Other expenses	31	6,518.63	5,372.15
	<b>Total Expenses (IV)</b>		<b>29,931.45</b>	<b>22,777.41</b>
V.	<b>Profit before tax (III-IV)</b>		<b>(447.54)</b>	<b>(1,969.28)</b>
VI.	<b>Tax Expense</b>			
	(1a) Current tax		-	-
	(1b) Tax adjustments for earlier years		-	0.04
	(2) Deferred tax charge / (credit)	17	(121.58)	(543.42)
VII.	<b>Profit for the year (V-VI)</b>		<b>(325.96)</b>	<b>(1,425.90)</b>
VIII.	<b>Other Comprehensive Income</b>			
(A)	<b>Items that will not be reclassified to profit or loss</b>			
	Re-measurement gain / (loss) on defined benefit plans		65.41	18.99
	Deferred tax on above		(18.20)	(5.28)
(B)	<b>Items that will be reclassified to profit or loss</b>		-	-
	<b>Other Comprehensive Income</b>		<b>47.21</b>	<b>13.71</b>
IX.	<b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>(278.75)</b>	<b>(1,412.19)</b>
X.	<b>Earnings per equity share of ₹ 5 each</b>			
	Basic and Diluted	32	(1.48)	(1.48)

Significant accounting policies and other notes on financial statements

1-44

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

For and on behalf of the Board of Directors

As per our report of even date attached.

For **Singhi & Co.**

Chartered Accountants

Firm Reg No. 302049E

**Bimal Kumar Sipani**

Partner

M.No. 088926

Place: Noida (Delhi-NCR)

Date: May 19, 2023

**Desh Bandhu Doda**

(Director)

DIN : 00165518

**Amar Singh Mehta**

(Director)

DIN : 00030694

**Pankaj Kamra**

(Company Secretary)

**Puneet Garg**

(Chief Financial Officer)





Statement of Cash Flows for the period ended 31st March, 2023

(₹ Lakhs)

S. No.	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A.	<b>Cash Flow from Operating Activities</b>		
	<b>Profit /(Loss) before tax</b>	<b>(447.54)</b>	<b>(1,969.28)</b>
	<b>Adjustments for :</b>		
	Depreciation and amortization expense	511.61	515.67
	Interest income	(8.02)	(12.75)
	Provision for earlier years no longer required written back (Net)	(64.52)	(291.08)
	Finance costs	487.37	431.04
	Net (profit)/ loss on sale of property, plant and equipment	-	1.17
	<b>Operating Profit / (Loss) before working capital changes</b>	<b>478.90</b>	<b>(1,325.23)</b>
	(Increase)/ Decrease in Inventories	(2,134.79)	1,088.31
	(Increase) / Decrease in Trade and Other Receivables	327.84	443.30
	Increase/ (Decrease) in Trade and Other Payables	1,917.84	(1,123.24)
	<b>Cash generated / (used) in Operations</b>	<b>589.79</b>	<b>(916.86)</b>
	Direct tax paid (net of refund)	(33.43)	20.77
	<b>Net cash inflow / (outflow) from operating activities</b>	<b>556.36</b>	<b>(896.09)</b>
B.	<b>Cash Flow from Investing Activities</b>		
	Purchase of property, plant and equipment and capital work in progress	(177.05)	(246.09)
	Net increase in fixed deposits	(3.38)	(3.37)
	Interest received	3.88	16.72
	<b>Net cash inflow / (outflow) from investing activities</b>	<b>(176.55)</b>	<b>(232.74)</b>
C.	<b>Cash Flow from Financing Activities</b>		
	Dividend Paid	-	(110.02)
	Proceed from long term borrowings	-	660.00
	Repayment of long term borrowings	(290.00)	(194.44)
	Proceed from inter corporate deposits	200.00	1,400.00
	Repayment of inter corporate deposits	-	(200.00)
	Net proceeds/(repayment) of short term borrowings	219.72	81.14
	Payment of lease liabilities	(21.32)	(19.34)
	Payment of lease liabilities - finance costs	(25.48)	(27.46)
	Finance costs paid	(355.67)	(395.22)
	<b>Net cash inflow / (outflow) from financing activities</b>	<b>(272.75)</b>	<b>1,194.67</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>107.05</b>	<b>65.83</b>
	Cash and Cash equivalents at the beginning of the year	113.79	47.96
	<b>Cash and Cash equivalents at the end of the year (Refer Note 9)</b>	<b>220.84</b>	<b>113.79</b>

Note :

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

For and on behalf of the Board of Directors

As per our report of even date attached.

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

**Bimal Kumar Sipani**  
Partner  
M.No. 088926  
Place: Noida (Delhi-NCR)  
Date: May 19, 2023

**Desh Bandhu Doda**  
(Director)  
DIN : 00165518

**Amar Singh Mehta**  
(Director)  
DIN : 00030694

**Pankaj Kamra**  
(Company Secretary)

**Puneet Garg**  
(Chief Financial Officer)

**Statement of Change in Equity for the year ended 31st March, 2023**

**A Share Capital**

(₹ Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Fully paid up Equity Shares of ₹ 5 each</b>				
Balance at the beginning of the year	2,20,03,200	1,100.16	2,20,03,200	1,100.16
Changes in accounting policy or prior period errors	-	-	-	-
<b>Restated balance at the beginning of the year</b>	<b>2,20,03,200</b>	<b>1,100.16</b>	<b>2,20,03,200</b>	<b>1,100.16</b>
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,20,03,200</b>	<b>1,100.16</b>	<b>2,20,03,200</b>	<b>1,100.16</b>

**B Other Equity**

(₹ Lakhs)

Particulars	Capital Redemption Reserve	Reserves and surplus			Total Other Equity
		General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>As at 31st March, 2021</b>	<b>359.00</b>	<b>650.00</b>	<b>4,072.86</b>	<b>5.96</b>	<b>5,087.82</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at April 1, 2021</b>	<b>359.00</b>	<b>650.00</b>	<b>4,072.86</b>	<b>5.96</b>	<b>5,087.82</b>
Transfer to retained earnings	-	-	5.96	(5.96)	-
Profit / (Loss) for the year	-	-	(1,425.90)	-	(1,425.90)
Other comprehensive income	-	-	13.71	-	13.71
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(1,412.19)</b>	<b>-</b>	<b>(1,412.19)</b>
Dividend paid	-	-	(110.02)	-	(110.02)
Transfer to General Reserve	-	-	-	-	-
<b>As at 31st March, 2022</b>	<b>359.00</b>	<b>650.00</b>	<b>2,556.61</b>	<b>5.96</b>	<b>3,565.61</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at April 1, 2022</b>	<b>359.00</b>	<b>650.00</b>	<b>2,556.61</b>	<b>5.96</b>	<b>3,565.61</b>
Profit / (Loss) for the year	-	-	(325.96)	-	(325.96)
Other comprehensive income	-	-	47.21	-	47.21
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(278.75)</b>	<b>-</b>	<b>(278.75)</b>
Dividend paid	-	-	-	-	-
<b>As at 31st March, 2023</b>	<b>359.00</b>	<b>650.00</b>	<b>2,277.86</b>	<b>5.96</b>	<b>3,286.86</b>

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

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

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

For and on behalf of the Board of Directors

As per our report of even date attached.  
For **Singhi & Co.**  
Chartered Accountants  
Firm Reg No. 302049E

**Desh Bandhu Doda**  
(Director)  
DIN : 00165518

**Amar Singh Mehta**  
(Director)  
DIN : 00030694

**Bimal Kumar Sipani**  
Partner  
M.No. 088926  
Place: Noida (Delhi-NCR)  
Date: May 19, 2023

**Pankaj Kamra**  
(Company Secretary)

**Puneet Garg**  
(Chief Financial Officer)

**Notes to Financial Statements for the year ended 31st March, 2023****1 Significant Accounting Policies****I. Corporate Information:**

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

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

**II. Basis of preparation and measurement of financial statements:****(i) Statement of compliance**

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

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 Board of Directors has approved the financial statements for the year ended March 31, 2023 and authorized for issue on 19th May,2023. However, shareholders have the power to amend the financial statements after issue.

**(ii) Basis of preparation**

The financial statements have been prepared on a historical cost basis except certain items that are measured at fair value as explained in accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes

into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

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

**(iii) Use of Estimates**

In the preparation of financial statements, the Company makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations.

**(iv) Operating cycle and classification of Assets and Liabilities as Current and Non Current**

Based on the nature of goods manufactured/service provided and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/noncurrent classification of assets and liabilities.



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

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

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

**III. Significant Accounting Policies**

**(i) Revenue Recognition**

"The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when -

- effective control of goods along with significant risks and rewards of ownership has been transferred to customer;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring

the goods or services to the customer. The variable consideration is estimated having regard to various relevant factors including historical trend and constraint until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved."

"Revenue from contracts with customers (other than sale of goods) is recognised when control of the goods (job-processing) or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contracts for services and the revenue can be reliably measured.

Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis."

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

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

**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**(ii) Inventories**

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and Work

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

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

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

Property, Plant and Equipment acquired after the transition date are stated at cost net of tax/duty credit availed. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs and incidental expenses incurred during the period of construction are capitalised upto the date when the assets are ready for intended use.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

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.

### **Depreciation**

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

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

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

### **(iv) Intangible Assets other than goodwill**

Intangible assets (other than goodwill) are stated at cost of acquisition or construction less accumulated amortisation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2016 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets subsequently purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In case of computer software, the Company has estimated useful life of five years or less. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

**(v) Leases****The Company as a lessee**

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

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

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

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

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

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

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

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

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

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

**(vii) Financial instruments**

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

**Financial Assets****Initial recognition and measurement**

All financial assets (except trade receivables) 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. Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

## 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 recognised in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss."

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

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

#### **De-recognition of Financial Liability**

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

#### **Compound Financial Instruments**

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

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

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

"Transactions in foreign currencies are initially 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 in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively)."

**(ix) Employee Benefit**

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

Short-term employee benefits are expensed in the year in which the related services are 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. The Company has no obligation, other than the contribution payable to the provident fund. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

**(c) Defined benefit plans :**

"The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation. 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:**

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred. The obligation is measured on the basis of independent actuarial valuation using project unit credit method at each reporting date.

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

Basic earnings per equity share is computed by dividing net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding



during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing net profit or loss for the year attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

#### (xi) Income Tax

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

##### Current Tax

"Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date. Current tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

##### Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities

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

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

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

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

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

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

##### Minimum Alternate Tax

Credit of Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT

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

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

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in other notes to financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**(xiii) Segment Reporting**

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

**(xiv) Borrowing and Borrowing Costs**

"Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a borrowings 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 Statement of profit and loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings."

**(xv) Fair Value Measurements**

"In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair

value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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."

**a. Financial instruments**

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

**b. Marketable and non-marketable equity securities**

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

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

**c. Derivatives**

"The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss."

**(xvi) Significant accounting Judgements and Estimates**

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

**Useful lives of property, plant and equipment and intangible assets**

The Company has estimated the useful life if each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

**Impairment**

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of

measuring the Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value.

#### **Valuation of current tax and deferred tax assets**

The tax jurisdictions for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of current and deferred taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

#### **Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liability may arise from the ordinary course of business in relation to claims against the Company. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events. Contingent liabilities are not recognised in the financial statements.

#### **Fair value measurements of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors

could affect the reported fair value of financial instruments.

#### **Retirement benefit obligations**

The Company's retirement benefit obligations are subject to number of assumptions including discount rates, inflation and salary growth. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice.

#### **(xvii) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when 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 counterparty.

#### **(xviii) Cash and cash equivalents**

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

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

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

"Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- a. Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect the amendment to have any significant impact in its financial statements.



- b. Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Company does not expect the amendment to have any significant impact in its financial statements.
- c. Ind AS 12 – Income taxes - Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition

exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes to Financial Statements for the year ended 31st March, 2023

### 2. Property, Plant and Equipment

(₹ Lakhs)

	Freehold Land	Buildings	Roads	Plant and Equipment	Electrical Installation	Pipeline & Fittings	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Cost as at 31st March, 2021</b>	<b>1,640.18</b>	<b>1,839.73</b>	<b>65.69</b>	<b>5,722.78</b>	<b>171.37</b>	<b>2.03</b>	<b>26.99</b>	<b>103.19</b>	<b>144.50</b>	<b>9,716.46</b>
Addition during the year	-	2.97	-	281.70	-	-	1.26	5.61	19.96	311.49
Sold/discarded during the year	-	-	-	15.86	-	-	-	2.25	-	18.11
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Cost as at 31st Mar, 2022</b>	<b>1,640.18</b>	<b>1,842.70</b>	<b>65.69</b>	<b>5,988.62</b>	<b>171.37</b>	<b>2.03</b>	<b>28.25</b>	<b>106.55</b>	<b>164.46</b>	<b>10,009.85</b>
Addition during the year	-	0.92	11.22	82.36	-	-	1.16	-	13.98	109.64
Sold/discarded during the year	-	-	-	-	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Cost as at 31st March, 2023</b>	<b>1,640.18</b>	<b>1,843.62</b>	<b>76.91</b>	<b>6,070.98</b>	<b>171.37</b>	<b>2.03</b>	<b>29.40</b>	<b>106.55</b>	<b>178.44</b>	<b>10,119.49</b>

	Freehold Land	Buildings	Roads	Plant and Equipment	Electrical Installation	Pipeline & Fittings	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Accumulated Depreciation</b>										
<b>Accumulated depreciation as at 31st March, 2021</b>	-	<b>368.35</b>	<b>39.62</b>	<b>1,237.69</b>	<b>81.85</b>	<b>0.99</b>	<b>8.71</b>	<b>43.41</b>	<b>82.05</b>	<b>1,862.68</b>
Depreciation for the year	-	82.06	9.84	331.76	18.47	0.20	2.48	13.21	23.35	481.37
Disposals	-	-	-	14.70	-	-	-	2.24	-	16.94
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31st March, 2022</b>	-	<b>450.41</b>	<b>49.46</b>	<b>1,554.75</b>	<b>100.33</b>	<b>1.19</b>	<b>11.19</b>	<b>54.38</b>	<b>105.40</b>	<b>2,327.10</b>
Depreciation for the year	-	81.72	7.95	344.60	13.51	0.20	2.54	12.48	19.74	482.75
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31st March, 2023</b>	-	<b>532.13</b>	<b>57.42</b>	<b>1,899.35</b>	<b>113.84</b>	<b>1.39</b>	<b>13.73</b>	<b>66.86</b>	<b>125.14</b>	<b>2,809.86</b>
<b>Net carrying value as on 31st March, 2022</b>	<b>1,640.18</b>	<b>1,392.29</b>	<b>16.23</b>	<b>4,433.87</b>	<b>71.04</b>	<b>0.84</b>	<b>17.06</b>	<b>52.17</b>	<b>59.06</b>	<b>7,682.74</b>
<b>Net carrying value as on 31st March, 2023</b>	<b>1,640.18</b>	<b>1,311.49</b>	<b>19.49</b>	<b>4,171.63</b>	<b>57.53</b>	<b>0.64</b>	<b>15.67</b>	<b>39.69</b>	<b>53.29</b>	<b>7,309.71</b>

**Notes:**

- (i) Assets pledged and hypothecated against borrowings - Refer Note 14 and 19.
- (ii) There were no revaluation carried out by the company during the years reported above.
- (iii) All title deeds of immovable properties are held in the name of the Company.

Notes to Financial Statements for the year ended 31st March, 2023

2A. Capital work-in-progress

(₹ Lakhs)

	As at 31st March, 2023	As at 31st March, 2022
<b>Opening Carrying Amount</b>	<b>2.88</b>	<b>1.18</b>
Addition:	93.32	286.37
Assets Capitalized	94.50	284.67
<b>Closing Carrying Amount</b>	<b>1.70</b>	<b>2.88</b>

(i) CWIP Ageing Schedule

As at 31st March, 2023	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Projects in Progress	1.70	-	-	-	1.70
Projects temporarily suspended	-	-	-	-	-

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

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

3. Right to Use Assets

(₹ Lakhs)

	Leasehold Land	Buildings	Total
<b>Cost as at 31st March, 2021</b>	<b>54.12</b>	<b>248.56</b>	<b>302.67</b>
Addition during the year	-	-	-
Sold/discarded during the year	-	-	-
<b>Cost as at 31st Mar, 2022</b>	<b>54.12</b>	<b>248.56</b>	<b>302.67</b>
Addition during the year	-	-	-
Sold/discarded during the year	-	-	-
<b>Cost as at 31st March, 2023</b>	<b>54.12</b>	<b>248.56</b>	<b>302.67</b>



**Notes to Financial Statements for the year ended 31st March, 2023**

<b>Accumulated depreciation</b>	<b>Leasehold Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Accumulated depreciation as at 31st March, 2021</b>	<b>4.16</b>	<b>49.71</b>	<b>53.87</b>
Depreciation for the year	2.08	24.86	26.94
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated depreciation as at 31st March, 2022</b>	<b>6.24</b>	<b>74.57</b>	<b>80.81</b>
Depreciation for the year	2.08	24.86	26.94
Disposals	-	-	-
Adjustment during the year	-	-	-
<b>Accumulated depreciation as at 31st March, 2023</b>	<b>8.33</b>	<b>99.42</b>	<b>107.75</b>
<b>Net carrying value as on 31th March, 2022</b>	<b>47.87</b>	<b>173.99</b>	<b>221.86</b>
<b>Net carrying value as on 31th March, 2023</b>	<b>45.79</b>	<b>149.14</b>	<b>194.93</b>

Note : Refer Note 40

**4. Intangible Assets**

(₹ Lakhs)

	<b>Computer Software</b>	<b>Total</b>
<b>Cost as at 31st March, 2021</b>	<b>41.94</b>	<b>41.94</b>
Addition during the year	-	-
Sold/discarded during the year	-	-
<b>Cost as at 31st Mar, 2022</b>	<b>41.94</b>	<b>41.94</b>
Addition during the year	32.07	32.07
Sold/discarded during the year	-	-
Adjustment during the year	-	-
<b>Cost as at 31st March, 2023</b>	<b>74.01</b>	<b>74.01</b>
<b>Accumulated depreciation as at 31st March, 2021</b>	<b>30.91</b>	<b>30.91</b>
Amortisation during the year	7.36	7.36
Disposals	-	-
Accumulated depreciation as at 31st March, 2022	38.28	38.28
<b>Amortisation during the year</b>	<b>1.92</b>	<b>1.92</b>
Disposals	-	-
Adjustment during the year	-	-
<b>Accumulated depreciation as at 31st March, 2023</b>	<b>40.19</b>	<b>40.19</b>
<b>Net carrying value as on 31th March, 2021</b>	<b>3.66</b>	<b>3.66</b>
<b>Net carrying value as on 31th March, 2022</b>	<b>33.82</b>	<b>33.82</b>

Notes :

- (i) Assets pledged and hypothecated against borrowings - Refer Note 14 and 19.
- (ii) There were no revaluation carried out by the company during the years reported above.
- (iii) All title deeds of immovable properties are held in the name of the Company.

## Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>5 Other Non-Current Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Security Deposits	162.06	61.49
<b>Total</b>	<b>162.06</b>	<b>61.49</b>
<b>6 Other Non Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Capital Advances	20.06	22.97
Others	1.27	1.33
<b>Total</b>	<b>21.33</b>	<b>24.30</b>
<b>7 Inventories</b>		
<b>(Valued at Cost or Net Realizable Value, whichever is lower)</b>		
Raw Materials	97.81	64.53
Work-in-progress	37.49	37.11
Finished goods	6,427.24	4,265.38
Stock in trade	11.69	3.29
Stores and spares, packing materials and others	833.60	902.74
<b>Total</b>	<b>7,407.83</b>	<b>5,273.05</b>
7.1 Inventories are hypothecated to secure borrowings. Refer to Note 19.		
<b>8 Trade Receivables</b>		
<b>Unsecured</b>		
Considered Good	451.45	1,094.63
Have significant increase in credit risk	-	-
Credit Impaired	-	-
	<b>451.45</b>	<b>1,094.63</b>
Less:- Allowance for Credit Losses	-	-
<b>Total</b>	<b>451.45</b>	<b>1,094.63</b>

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

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

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

**Notes to Financial Statements for the year ended 31st March, 2023**  
**8.4 Ageing Schedule for trade receivables**  
**As at 31st March, 2023**

(₹ Lakhs)

Particulars	Unbilled Revenue	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed – considered good	-	113.52	306.28	16.68	5.22	6.40	3.36	451.45
Undisputed – considered doubtful	-	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-	-
Disputed – considered doubtful	-	-	-	-	-	-	-	-
<b>Total receivable</b>	-	<b>113.52</b>	<b>306.28</b>	<b>16.68</b>	<b>5.22</b>	<b>6.40</b>	<b>3.36</b>	<b>451.45</b>

**As at 31st March, 2022**

(₹ Lakhs)

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

## Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>9 Cash &amp; Cash Equivalents</b>		
Balance with bank in current accounts	210.03	111.10
Cheques in hand	6.53	-
Cash on hand	<b>4.28</b>	<b>2.69</b>
<b>Total</b>	<b>220.84</b>	<b>113.79</b>
<b>10 Other Bank Balances</b>		
<b>Earmarked balances</b>		
Unclaimed Dividend Accounts	27.63	37.42
Fixed deposits with maturity more than 3 months but less than 12 months (pledged with Sales-tax department)	12.37	8.99
<b>Total</b>	<b>40.00</b>	<b>46.41</b>
<b>11 Other Current Financial Assets</b>		
<b>Unsecured, Considered Good</b>		
Interest receivable	13.08	8.94
<b>Total</b>	<b>13.08</b>	<b>8.94</b>
<b>12 Other Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Advance to Supplier	58.76	43.00
Prepaid expenses	44.11	45.15
Indirect-tax recoverable	106.51	67.67
GST input credit	154.32	132.58
Contract Assets-Conversion income accrued but not billed	165.48	26.14
Others	0.85	0.66
<b>Total</b>	<b>530.03</b>	<b>315.20</b>



Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
<b>13. Equity Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 5 each	1,500.00	1,500.00
6,00,000 (Previous Year 6,00,000) Redeemable Preference shares of ₹ 100 each	600.00	600.00
<b>Total</b>	<b>2,100.00</b>	<b>2,100.00</b>
<b>Issued, Subscribed and Paid-up</b>		
2,20,03,200 (Previous Year 2,20,03,200) Equity Shares of ₹ 5 each	1,100.16	1,100.16
<b>Total</b>	<b>1,100.16</b>	<b>1,100.16</b>

**Notes :**

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

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	Equity Shares Nos	Equity Shares Nos
Shares outstanding at the beginning of the year	2,20,03,200	2,20,03,200
Shares Issued during the year	-	-
Shares bought back/redeemed during the year	-	-
Shares outstanding at the end of the year	2,20,03,200	2,20,03,200

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

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

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

Name of Shareholder	As at		As at	
	31st March, 2023		31st March, 2022	
	Number of shares	Percentage	Number of shares	Percentage
Equity Shareholders				
Bengal & Assam Company Ltd. (Holding Company)	1,21,68,430	55.30%	1,21,68,430	55.30%
Sidhivinayak Trading & Investment Ltd.	38,50,000	17.50%	38,50,000	17.50%

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

Notes to Financial Statements for the year ended 31st March, 2023

(e) Details of promoter's shareholder holding:

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

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>14 Non Current Borrowings</b>		
<b>Secured Loans</b>		
Term Loans - Banks	830.00	1,120.00
<b>Unsecured Loans</b>		
Inter Corporate deposits from a company	1,400.00	1,200.00
<b>Total</b>	<b>2,230.00</b>	<b>2,320.00</b>
<b>Less : Current maturities disclosed as "current borrowing"</b>		
Term Loans - Banks	400.00	308.33
<b>Total</b>	<b>1,830.00</b>	<b>2,011.67</b>

**Secured Loans:**

- Term loan of ₹ 180.00 lakhs (Previous year ₹ 260.00 lakhs) from Axis 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 20 quarterly instalments of ₹ 20.00 lakhs each commencing from December, 2019.
- Term loan of ₹ 100.00 lakhs (Previous year ₹ 200.00 lakhs) from Axis 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 instalments of ₹ 25 lakhs commencing from December, 2018.
- Working capital term loan of ₹ 550.00 lakhs (Previous year ₹ 660.00 lakhs) from Axis Bank is secured by a second charge on entire moveable properties, current assets and immovable properties in the name of the Company situated at Gajraula, is repayable in equal monthly instalments of ₹ 18.33 lakhs commencing from December, 2022.

Rate of interest applicable to all term loans from Banks are linked with MCLR.

**Unsecured Loans:**

- Inter corporate Deposit of ₹ 1400.00 lakhs (Previous year ₹ 1200 Lakhs), is repayable along with interest at the end of tenure of Six years (previous year two years) beginning from March 2026.



Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>15 Other Financial Liabilities - Non Current</b>		
Trade and other deposits	11.00	11.00
<b>Total</b>	<b>11.00</b>	<b>11.00</b>
<b>16 Long Term Provisions</b>		
Provision for employee benefits	199.47	295.64
<b>Total</b>	<b>199.47</b>	<b>295.64</b>
<b>17 Deferred Tax Liabilities</b>		
<b><u>Deferred Tax Liabilities</u></b>		
Property, plant and equipments, Intangible assets and right of use assets	1,159.53	1,160.43
<b><u>Deferred Tax Assets</u></b>		
Provision for employees benefit	59.69	99.47
Business loss and unabsorbed depreciation	689.41	547.14
	<b>749.10</b>	<b>646.61</b>
<b>Total Deferred Tax Liabilities</b>	<b>410.43</b>	<b>513.82</b>
MAT Credit opening balance	165.45	165.45
MAT Credit entitlement	-	-
MAT Credit utilization	-	-
MAT Credit closing balance	<b>165.45</b>	<b>165.45</b>
<b>Net Deferred Tax Liabilities</b>	<b>244.98</b>	<b>348.37</b>

The Company has recognised deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Company has concluded that the deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using the estimated future taxable income based on the business plans and budgets. The Company is expected to generate taxable income in near future. The MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Company expects to recover the same in due course.

Reconciliation of effective tax	FY 2022-23	FY 2021-22
Profit / (Loss) before tax	(447.54)	(1,969.28)
Enacted tax rates for the Company under Income tax	27.82%	27.82%
Income tax Payable	(124.51)	(547.85)
Other Non deductible expenses	-	3.78
Tax adjustments for earlier years	-	0.04
Others	2.93	0.65
<b>Reported Tax Expenses</b>	<b>(121.58)</b>	<b>(543.38)</b>

Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>18 Other Non Current Liabilities</b>		
Security deposit from a customer	963.93	963.93
Security deposits from others	15.05	5.74
<b>Total</b>	<b>978.98</b>	<b>969.67</b>
<b>19 Current Borrowings</b>		
Secured Loans		
Current maturities of long term borrowings	400.00	308.33
Working capital borrowing from a bank	3,194.42	2,974.70
Dues to a body corporate @	-	40.00
<b>Total</b>	<b>3,594.42</b>	<b>3,323.03</b>

Notes :

- (i) Working capital borrowing from Axis 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) Value of inventories, trade receivable and other receivables reported in the Financial Follow-up Reports filed on each quarter end by the Company with bankers are in agreement with the books of accounts except for the quarter ended March 31, 2023 which is yet to be filed.

@ Loan of ₹ NIL (Previous year ₹ 40 lakhs) from a body corporate is secured by a first pari passu charge over the entire moveable properties of the Company was due in earlier years but not demanded by lender. Liability of above have been recognized to the extent in terms of BIFR order.

<b>20 Trade Payables</b>		
a) total outstanding dues of micro and small enterprises	25.63	29.45
b) total outstanding dues of creditors other than micro and small enterprises	2,641.92	2,032.37
<b>Total</b>	<b>2,667.55</b>	<b>2,061.82</b>

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

a. Principal amount and Interest due thereon remaining unpaid to any supplier as on	25.63	29.45
b. Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
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	-	-





Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
d. the amount of interest accrued and remaining unpaid during the accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Trade Payable ageing

As at 31st March, 2023

Particulars	Not due	Outstanding for following periods from invoice date					Total
		Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Sub total	
Trade payable							
(i) MSME	25.63	-	-	-	-	-	25.63
(ii) Others	364.35	2,185.97	11.21	29.84	50.55	2,277.57	2,641.92
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total Payable</b>	<b>389.98</b>	<b>2,185.97</b>	<b>11.21</b>	<b>29.84</b>	<b>50.55</b>	<b>2,277.57</b>	<b>2,667.55</b>

As at 31st March, 2022

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

21 Other Current Financial Liabilities

Interest accrued on Inter corporate deposits	114.58	8.36
Unclaimed dividends #	27.63	37.42
Employee emoluments	128.34	67.85
Security deposits	80.16	82.09
Capital creditors**	-	39.34
Other payables^	462.94	360.70
<b>Total</b>	<b>813.65</b>	<b>595.76</b>

Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
# As and when due, Investor Education & Protection Fund will be credited (if not claimed by shareholders within the specified time period)		
^ Other payables includes sales related liabilities etc.		
<b>22 Other Current Liabilities</b>		
Statutory Dues	312.52	115.73
Advance from Customers	1,236.19	289.90
<b>Total</b>	<b>1,548.71</b>	<b>405.63</b>
<b>23 Short Term Provisions</b>		
Provision for Employee Benefits	15.60	10.45
<b>Total</b>	<b>15.60</b>	<b>10.45</b>
<b>24 Revenue from operations</b>		
<b>Sale of products [Dairy products]</b>	24,426.26	16,296.20
<b>Other Operating Revenues</b>		
Conversion Charges	4,856.97	4,104.52
<b>Total</b>	<b>29,283.23</b>	<b>20,400.72</b>
<p>The Company is primarily in the business of manufacture and sale of Dairy Products. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The Company, however, has a policy for replacement of the expired / damaged goods.</p>		
<b>24.1 Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:</b>		
<b>Contract price</b>		
(i) Sales of products	24,426.26	16,296.20
(ii) Conversion charges	4,856.97	4,104.52
<b>Adjustments:</b>		
Discount/rebate/ incentives	-	-
<b>Revenue recognised in statement of profit and loss</b>	<b>29,283.23</b>	<b>20,400.72</b>
<b>24.2 Significant changes in the contract assets and the contract liabilities balances during the year are as follows :</b>		
<b>a. Contract Assets</b>	165.48	26.14
<b>b. Movement of contract liability :</b>		
Opening balance	289.90	1,027.29
Less : Revenue recognized during the year from opening balance	272.40	1,027.29
Add : Advance received during the year not recognized as revenue	1,218.69	289.90
<b>Amounts included in contract liabilities at the end of the year</b>	<b>1,236.19</b>	<b>289.90</b>



## Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>24.3</b>	<b>Contract liabilities include amount received from customers as per the terms of purchase/sales order to deliver goods. Once the goods are completed and control is transferred to customers the same is adjusted accordingly.</b>	
<b>24.4</b>	<b>The Company does not provide performance warranty for goods sold, Since impact of replacement is not material therefore no liability towards performance warranty has been accounted in books.</b>	
<b>24.5</b>	<b>The above revenues have been recognised at point of time.</b>	
<b>25</b>	<b>Other Income</b>	
Interest income	8.02	12.75
Scrap sale	80.78	88.09
Provision for earlier years no longer required written back (net)	64.52	291.08
Net gain on exchange fluctuation on translation and transactions	2.41	-
Rental Income	4.64	-
<b>Others</b>	<b>40.31</b>	<b>15.49</b>
<b>Total</b>	<b>200.68</b>	<b>407.41</b>
<b>26</b>	<b>Cost of Material Consumed</b>	
Raw material consumed	<b>21,055.22</b>	<b>11,936.74</b>
Packing material consumed	965.15	974.78
<b>Total Cost of Material Consumed</b>	<b>22,020.37</b>	<b>12,911.52</b>
<b>27</b>	<b>Change in inventories of finished goods, work-in-progress and stock in trade</b>	
<b>Opening Stock</b>		
Finished Goods	4,265.38	5,264.55
Stock In Trade	3.29	-
Work-in-Progress	37.11	40.51
<b>Closing Stock</b>		
Finished Goods	6,427.24	4,265.38
Stock In Trade	11.69	3.29
Work-in-Progress	37.49	37.11
<b>Net (Increase) / Decrease in Stocks</b>	<b>(2,170.65)</b>	<b>999.28</b>
<b>28</b>	<b>Employee Benefit Expenses</b>	
Salaries, wages and bonus etc.	2,342.36	2,279.33
Contribution to provident and other funds	96.06	92.00
Staff welfare expenses	54.72	39.71
<b>Total</b>	<b>2,493.14</b>	<b>2,411.04</b>

Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>29 Finance Costs</b>		
Interest expenses	456.46	397.85
Interest on delayed payment of taxes	0.28	0.58
Interest on lease obligations	25.48	27.46
Other borrowing costs	5.15	5.15
<b>Total</b>	<b>487.37</b>	<b>431.04</b>
<b>30 Depreciation &amp; Amortisation Expense</b>		
Depreciation and amortisation	484.67	488.73
Depreciation of right of use assets	26.94	26.94
<b>Total</b>	<b>511.61</b>	<b>515.67</b>
<b>31 Other Expenses</b>		
Consumption of stores and spares	572.67	504.14
Power and fuel	2,989.46	2,399.06
Job on contract	612.39	481.89
Rent	86.07	71.91
Repairs to buildings	43.47	50.92
Repairs to machinery	203.95	109.23
Insurance	44.50	46.62
Rates and taxes	12.33	25.94
Freight and transportation	543.84	414.23
Selling Expenses including sales promotion	528.12	410.65
Corporate social responsibility (Refer Note 43)	-	12.42
Directors' fee	15.12	7.83
Directors' commission	-	7.25
Net Loss on discard of property, plant and equipments	-	1.17
<u>Legal and professional</u>	184.94	164.73
Travelling	238.47	202.79
Miscellaneous @	443.30	461.37
<b>Total</b>	<b>6,518.63</b>	<b>5,372.15</b>
<p>Legal and professional and travelling expenses were earlier classified under Other Expenses. In order to give more appropriate presentation, the Company has reclassified previous year expenses to conform current year classification.</p> <p>@ Includes amount paid to auditors</p>		
<b>i) Statutory Auditors:</b>		
a. Statutory audit fee	3.80	3.80
b. Limited review fee	1.00	1.00
c. Tax audit fee	0.55	0.55
d. Certifications fee	0.17	0.23
e. Reimbursement of expenses	0.71	0.89
<b>Total</b>	<b>6.23</b>	<b>6.47</b>



Notes to Financial Statements for the year ended 31st March, 2023

(₹ Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>ii) Cost Auditors:</b>		
a. Audit fee	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

**32 Earning per share (EPS)**

Profit/(Loss) for the year attributable to Equity Shareholders	(325.96)	(1,425.90)
Number of Equity Shares beginning of the year	2,20,03,200	2,20,03,200
Shares issued during the year	-	-
Number of Equity Shares at the end of the year	2,20,03,200	2,20,03,200
Weighted average number of equity shares of ₹ 5/- each	2,20,03,200	2,20,03,200
<b>Earning per share - Basic and diluted (Per Share in ₹)</b>	<b>(1.48)</b>	<b>(6.48)</b>

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

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

Contingent Liabilities :

Claim against the company not acknowledged as debts.

a. Sales tax/ Mandi Fee /Milk cess liability in respect of matter in appeals*	340.63	340.63
b. Other matters #	92.58	92.58
c. National Green Tribunal Penalty *[also refer Note 33.1]	485.44	-

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

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

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 it's financial statement. The company does not expect the outcome of these proceedings to have a meterialy adverse effect on its financial position.

**33.1**

The Hon'ble National Green Tribunal at New Delhi ("Hon'ble Tribunal") has rendered a finding against the Company for not having a valid No Objection Certificate ("NOC") under the Guidelines of CGWA despite the Company placing on record evidence to show that it had applied for renewal of the NOC prior to its expiry and had continuously followed up with CGWA for grant of NOC. Therefore, the Company could not have been held liable for the failure of CGWA to grant renewal of the NOC under the CGWA Guidelines. The Company has filed the appeal before Hon'ble Supreme Court challenging the final order ("Impugned Judgment") of the Ld. Principal Bench of the Hon'ble Tribunal", whereby the Hon'ble Tribunal levied an environmental compensation of ₹ 485.44 Lakhs on the Company without rendering any finding against the Company. The Civil Appeal was listed and heard before Hon'ble Supreme Court on 11th April, 2022. The Hon'ble Court upon noting the submissions advanced on behalf of the Company, directed the Company to deposit ₹ 100 Lakhs. The said amount has been deposited in compliance of the order passed by Hon'ble Supreme Court. The matter is subjudice before the Hon'ble Supreme Court. The company does not expect the outcome of these proceedings to have a meterialy adverse effect on its financial position.

## Notes to Financial Statements for the year ended 31st March, 2023

Commitments: [as identified by the management]

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

### 34 Employee benefits

#### A. Defined Contribution Plans

**Provident Fund:** The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year, the Company has recognised ₹ 96.06 Lakhs (previous year ₹ 92.00 Lakhs) as contribution to Employee Provident Fund in the Statment of Profit and Loss

#### B. Defined Benefit Plans - Gratuity

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the Company.

The most recent actuarial valuation for gratuity was carried out as at March 31, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method. The gratuity liability of the Company is not funded.

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

	(₹ Lakhs)	
	Current Year	Previous Year
<b>(i) Reconciliation of fair value of plan assets and defined benefit obligation:</b>		
Fair value of plan assets	-	-
Defined benefit obligation	135.50	183.38
<b>Net assets / (liability) recognised in the Balance Sheet at year end</b>	<b>(135.50)</b>	<b>(183.38)</b>
<b>(ii) Changes in the present value of the defined benefit obligation are, as follows:</b>		
<b>Defined benefit obligation at beginning of the year</b>	183.38	171.46
Current service cost	22.21	28.11
Interest expense	13.17	11.64
Benefits paid	(17.84)	(8.85)
Actuarial (gain)/ loss on obligations - OCI	(65.41)	(18.99)
<b>Defined benefit obligation at year end</b>	<b>135.50</b>	<b>183.38</b>
<b>(iii) Amount recognised in Statement of Profit and Loss:</b>		
Current service cost	22.21	28.11
Net interest expense	13.17	11.64
Remeasurement of Net Benefit Liability/ Asset	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>35.38</b>	<b>39.75</b>

**Notes to Financial Statements for the year ended 31st March, 2023**
**(iv) Amount recognised in Other Comprehensive Income:**

Actuarial (gain)/ loss on obligations	(65.41)	(18.99)
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(65.41)</b>	<b>(18.99)</b>

**(v) The Company has no plan assets.**
**(vi) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

Discount rate (in %)	7.36%	7.18%
Salary Escalation (in %)	7.00%	7.00%
Rate of return in plan assets (in %)	-	-
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Expected average remaining working lives of employees (in years)	23.03	22.31

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

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

(₹ Lakhs)				
		As at 31st March, 2023		As at 31st March, 2022
<b>Sensitivity Level</b>	<b>+ 0.5%</b>	<b>- 0.5%</b>	<b>0.50%</b>	<b>-0.50%</b>
Effect of change in discount rate	(7.13)	7.79	(10.01)	10.94
Effect of change in salary escalation	7.78	(7.18)	10.66	(9.86)

- The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- 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.

(₹ Lakhs)		
	Current Year	Previous Year
<b>(viii) Expected contribution for the next annual reporting period</b>	<b>40.26</b>	<b>49.42</b>
<b>(ix) Maturity profile of defined benefit obligation :</b>		
Within next twelve months	10.51	4.43
Between one to five years	28.47	40.87
Beyond five years	96.52	138.08

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

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

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

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

### 35 Segment Reporting

- (a) According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Dairy Products" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.
- (b) NIL (Previous year two) customers individually account for more than 10% of the revenue in the year ended 31st March, 2023 and 31st March, 2022.

### 36 Related party disclosures

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

#### A Relationship

##### i) Holding Company

**Bengal and Assam Company Ltd.**

##### ii) Fellow Subsidiaries

LVP Foods Pvt. Ltd. (LVP)

JK Tyre & Industries Ltd. (JKTIL)

JK Fenner (India) Ltd. (JKFL)

Panchmahal Properties Ltd.

JK Agri Genetics Ltd.

##### iii) Key Management Personnel:

Mr. Ram Chandra Periwal	Non-Executive Director (till 19.09.2022)
Mr. Sharda Devi Singhania	Non-Executive Director (till 04.02.2023)
Mr. Amar Singh Mehta	Non-Executive Director
Mr. Desh Bandhu Doda	Non-Executive Director
Mr. V. Kumaraswamy	Non-Executive Director (w.e.f. 18.05.2021)
Mr. Rajiv Sheopuri	Non-Executive Director (w.e.f. 19.08.2021)
Sh. RC Surana	Non-Executive Director (w.e.f. 05.08.2022)
Ms. Pooja Gurwala	Non-Executive Director (w.e.f 08.02.2023)
Mr. Puneet Garg ^	Chief Financial Officer
Mr. Pankaj Kamra ^	Company Secretary
Mr. Sandeep Bhalla	Manager

^ under the Companies Act, 2013





Notes to Financial Statements for the year ended 31st March, 2023

iv) Other Entities

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

Particulars	Year ended	TFL	JKPL	JKLC	KMP	Grand Tot
<b>Transactions during the year</b>						
<b>(a) Other Transactions</b>						
Sales of Goods/ Services (including GST)	March 31, 2023	-	-	-	-	-
	March 31, 2022	469.74	-	-	-	469.74
Rent Received (including GST)	March 31, 2023	-	-	-	-	-
	March 31, 2022	0.07	-	-	-	0.07
Rent Paid (including GST)	March 31, 2023	-	3.00	18.76	-	21.76
	March 31, 2022	-	3.54	56.49	-	60.03
ERP License and Support service (excluding GST)	March 31, 2023	-	7.22	-	-	7.22
	March 31, 2022	-	-	-	-	-
Purchase of goods/ Services	March 31, 2023	-	4.95	19.57	-	24.52
	March 31, 2022	29.34	9.67	18.85	-	57.86

(b) Short-Term Employee Benefits

Remuneration #	March 31, 2023	-	-	-	109.91	109.91
	March 31, 2022	-	-	-	102.45	102.45
Director Sitting Fees to Non-Executive Directors	March 31, 2023	-	-	-	15.12	15.12
	March 31, 2022	-	-	-	15.08	15.08
Commission to Directors	March 31, 2023	-	-	-	-	-
	March 31, 2022	-	-	-	-	-

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

(c) Closing balances

Other Payables	March 31, 2023	-	7.79	-	-	7.79
	March 31, 2022	-	-	-	-	-

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

Note 1

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

## Notes to Financial Statements for the year ended 31st March, 2023

### 37 FINANCIAL INSTRUMENTS

(₹ Lakhs)

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

#### Financial Assets

Sl. No	Particulars	As at 31st March, 2023		As at 31st March, 2022	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
1	<b>Financial assets designated at amortised cost</b>				
a)	Trade receivables	451.45	451.45	1,094.63	1,094.63
b)	Cash and cash equivalents	220.84	220.84	113.79	113.79
c)	Other bank balances other than "b" above	40.00	40.00	46.41	46.41
d)	Other financial assets	175.14	175.14	70.43	70.43
		<b>887.43</b>	<b>887.43</b>	<b>1,325.26</b>	<b>1,325.26</b>

#### Financial Liabilities

Sl. No	Particulars	As at 31st March, 2023		As at 31st March, 2022	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
1	<b>Financial liability designated at amortised cost</b>				
a)	Borrowings (including lease liabilities)	5,652.96	5,652.96	5,584.55	5,584.55
b)	Trade payables	2,667.55	2,667.55	2,061.82	2,061.82
c)	Other financial liabilities	824.65	824.65	606.76	606.76
		<b>9,145.16</b>	<b>9,145.16</b>	<b>8,253.13</b>	<b>8,253.13</b>

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

- A Fair value of borrowings from banks and other financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- B The management assessed that cash and cash equivalents, other bank balances, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- C The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Fair value hierarchy

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

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

**Notes to Financial Statements for the year ended 31st March, 2023**

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

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

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

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

**38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Risk management framework**

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

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

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

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

**i. Credit risk**

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

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows 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 financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed at periodic intervals. Any sales exceeding those limits require approval from authorised personnel of the Company.

Most of the Company's customers have been transacting with the Company for over five 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.

## Notes to Financial Statements for the year ended 31st March, 2023

The carrying amount net of loss allowances of trade receivables is ₹ 451.45 lakhs (Previous year ₹ 1094.63 lakhs).

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Less than 6 months	More than 6 months	Total	Less than 6 months	More than 6 months	Total
Unsecured	419.80	31.65	451.45	1,070.99	23.64	1,094.63
Loss Rate [estimated by the management]	0%	0%	0%	0%	0%	0%
Allowances for Credit Losses	-	-	-	-	-	-
<b>Net Balance</b>	<b>419.80</b>	<b>31.65</b>	<b>451.45</b>	<b>1,070.99</b>	<b>23.64</b>	<b>1,094.63</b>

The carrying amount net of loss allowances of contract assets is ₹ 165.48 lakhs (Previous year ₹ 26.14 lakhs).

### Ageing of Contract assets are as under:-

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Less than 6 months	More than 6 months	Total	Less than 6 months	More than 6 months	Total
Unsecured	165.48	-	165.48	26.14	-	26.14
Loss Rate [estimated by the management]	0%	0%	0%	0%	0%	0%
Allowances for Credit Losses	-	-	-	-	-	-
<b>Net Balance</b>	<b>165.48</b>	<b>-</b>	<b>165.48</b>	<b>26.14</b>	<b>-</b>	<b>26.14</b>

During the year, 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 and contract assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening balance	-	22.49
Changes in loss allowance	-	(22.49)
Closing balance	-	-

#### ii. Market risk

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

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

#### (a) Interest rate risk

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



**Exposure to interest rate risk**

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

Particulars	Fixed-rate instruments		Variable-rate instruments		Total	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Borrowings	1,400.00	1,200.00	4,024.42	4,134.70	5,424.42	5,334.70

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

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

Particulars	Profit or loss		Equity, net of tax	
	50 bp	50 bp	50 bp	50 bp
	increase	decrease	increase	decrease
<b>Cash flow sensitivity</b>				
Variable-rate instruments (as at 31st March, 2023)	(20.12)	20.12	(14.52)	14.52
Variable-rate instruments (as at 31st March, 2022)	(20.67)	20.67	(14.92)	14.92

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

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

**(b) Currency risk**

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

**(c) Commodity price risks**

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

**iii. Liquidity risk**

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

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

(₹ Lakhs)

Particulars	Carrying Amount (as per financials)	Less than 1 year	1-5 Years	More than 5 year	Total
<b>As at March 31, 2023</b>					
Borrowings –Current	3,194.42	3,194.42	-	-	3,194.42
Borrowings -Non Current (including current maturity)	2,230.00	400.00	1,830.00	-	2,230.00
Lease Liability	228.54	46.80	187.20	142.80	376.80
Trade and Other Payables	3,066.57	3,055.57	11.00	-	3,066.57
<b>Total</b>	<b>8,719.53</b>	<b>6,696.79</b>	<b>2,028.20</b>	<b>142.80</b>	<b>8,867.79</b>
<b>As at March 31, 2022</b>					
Borrowings –Current	3,014.70	3,014.70	-	-	3,014.70
Borrowings -Non Current (including current maturity)	2,320.00	308.33	2,011.67	-	2,320.00
Lease Liability	249.85	46.80	187.20	189.60	423.60
Trade and Other Payables	2,330.80	2,319.80	11.00	-	2,330.80
<b>Total</b>	<b>7,915.35</b>	<b>5,689.63</b>	<b>2,209.87</b>	<b>189.60</b>	<b>8,089.10</b>

**39 Other Disclosures**

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

S. No	Ratio	Numerator	Denominator	Current year	Previous year	% Change	Reason of Change
1	Current Ratio (Times)	Current Asset	Current Liability	1.02	1.08	-6.26%	Due of the losses, shareholder's equity decreased
2	Debt Equity Ratio (Times)	Total Debt	Shareholder Equity	1.24	1.14	-8.14%	Due to losses in previous year
3	Debt Service Coverage Ratio (Times)	EBITDA	Debt Service	0.71	(0.77)	-192.59%	Due to decrease in EBITDA negative in previous year
4	Return on Equity	Profit / (Loss) after tax	Shareholder Equity	(6.35%)	(30.27%)	-79.01%	due to decrease in outstanding with customers
5	Inventory Turnover Ratio (Times)	Sales	Average Inventory	3.95	3.51	12.72%	due to decrease in outstanding with customers and inventory holding
6	Trade Receivable Turnover Ratio (Times)	Sales	Average Trade Receivables	37.88	15.72	140.96%	Due to decrease in losses
7	Trade Payable Turnover Ratio (Times)	Purchases	Average Trade Payables	10.49	5.53	89.58%	Due to decrease in EBITDA negative in previous year
8	Net Capital Turnover Ratio (Times)	Net Sales	Working Capital	220.26	38.22	476.27%	Not Applicable
9	Net Profit / (Loss) Ratio	Net Profit / (Loss) after Tax	Net Sales	(1.11%)	(6.99%)	-84.07%	
10	Return on Capital Employed	EBIT	Tangible Net Worth+Total Debt+DTL	0.40%	-14.86%	-102.66%	
11	Return On Investment	Dividend or gain on sale of investments	Average investments	-	-	-	



**b Details of Benami Property held:**

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

**c Willful Defaulter:**

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

**d Core Investment Company (CIC)**

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Group has 2 CIC as part of the Group.

**e Compliance with approved Scheme(s) of Arrangements**

There was no scheme of arrangement were filed during the year and previous year.

**f Registration of Charges or satisfaction with Registrar of Companies (ROC)**

The Company does not have any charges or satisfactions yet to be registered with the registrar of the companies beyond the statutory period.

**g Relationship with Struck off Companies :**

During the year the Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 other than following :

S. N.	Nature of Transaction with struck off company	Name Of Struck off Company	Balance Outstanding	Relationship with struck off company, if any
1	Share held by struck off company	Srijan Commodities Private Limited	715 Shares having face value of ₹ 5	shareholder

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

**h Compliance with number of layers of companies:**

The Company has no subsidiary, therefore clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company.

**i Utilisation of Borrowed funds and share premium:**

During the current year and in previous year, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

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

**j Undisclosed Income:**

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

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

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

**40 Leases****As a Lessee**

- (i) As on 31st March, 2023, lease liabilities were ₹ 228.54 lakhs (previous year ₹ 249.85 lakhs). The corresponding interest expense for the year ended 31st March, 2023 was ₹ 25.48 lakhs (previous year ₹ 27.46 lakhs). The portion of the lease payments recognized as a reduction of the lease liabilities and as a cash outflow from financing activities amounted to ₹ 21.32 lakhs (previous year ₹ 19.34 lakhs) for the year ended 31st March, 2023.
- (ii) The maturity of the lease liabilities is as follows:(undiscounted)

Particulars	<=1 Year	1-3 Years	4-5 Years	>5 Years	Total
As at 31st March, 2023	46.80	93.60	93.60	142.80	376.80
As at 31st March, 2022	46.80	93.60	93.60	189.60	423.60

- (iii) The Company recognizes the expenses of low value leases or short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases for the year was ₹ 86.07 lakhs (previous year ₹ 71.91 lakhs).
- (iv) There are no variable lease payments for the year ended 31st March, 2023 and 31st March, 2022.
- (v) Total cash outflow on leases for the year ended 31st March, 2023 was ₹ 46.80 lakhs (previous year ₹ 46.80 lakhs).

**As a Lessor**

- vi) There is income of ₹ 4.64 lakhs (previous year ₹ NIL) from subleasing right-of-use and no gains or losses from sales and leaseback for the year ended 31st March, 2023.

**41 Impairment of assets**

- a) During the year on account of increased input costs, competitive pressure and unfavorable market conditions, the Company ("CGU") has incurred cash losses. In terms of requirements of INDAS – 36 "Impairment of Assets", the Company has carried out an impairment assessment using value in use model which is based on the net present value of the future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions etc. Based on the assessment, the Company believes that carrying amount of does not exceed its recoverable amount and accordingly no impairment loss is required to be recognized.

- 42** a) Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.
- b) During the year, the Company has implemented SAP which is under stabilization. Certain accounts maintained under SAP is under reconciliation. Variations, if any, arise on completion of reconciliation shall be adjusted as and when identified. In the opinion of the management, no material variations are expected and will have no material impact on the reported figures.





**43 Corporate Social Responsibility**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Amount required to be spent by the company during the year	Nil	12.41
(ii) Amount of expenditure incurred Promotion of Education	-	12.42
(iii) (Excess) / Shortfall at the end of the year	-	(0.01)
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	NA	NA
(v) Nature of CSR activities	NA	Promoting education and Response to natural emergencies and calamities

**43 Event occurring after balance sheet date**

There were no major event occurring after balance sheet date.

**44 Capital Risk Management**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2023 and 31st March, 2022.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents. The Company monitors capital using gearing ratio, which is net debt divided by total capital as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Borrowings	5,424.42	5,334.70
Less: cash and cash equivalents	220.84	113.79
<b>Net debt (a)</b>	<b>5,203.58</b>	<b>5,220.91</b>
Equity (Equity Share Capital and Other Equity) (b)	4,387.02	4,665.77
<b>Capital and Net debt (c=a+b)</b>	<b>9,590.60</b>	<b>9,886.68</b>
<b>Gearing Ratio (c/a)</b>	<b>54.26%</b>	<b>52.81%</b>

For and on behalf of the Board of Directors

As per our report of even date attached.  
For **Singhi & Co.**  
Chartered Accountants  
Firm Reg No. 302049E

**Bimal Kumar Sipani**  
Partner  
M.No. 088926  
Place: Noida (Delhi-NCR)  
Date: May 19, 2023

**Desh Bandhu Doda**  
(Director)  
DIN : 00165518

**Amar Singh Mehta**  
(Director)  
DIN : 00030694

**Pankaj Kamra**  
(Company Secretary)

**Puneet Garg**  
(Chief Financial Officer)





## ENTREPRENEURSHIP TRAINING FOR WOMEN ON DAIRY FARMING



## WOMEN EMPLOYMENT TRAINING PROGRAM



## ANIMAL HEALTHCARE PROGRAM



## MILK PRODUCTION TRAINING

## AWARDS FROM MOTHER DAIRY





## **UMANG DAIRIES LTD.**

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