

# ***KMG MILK FOOD LIMITED***

## ***30<sup>th</sup> ANNUAL REPORT 2021-2022***

### **REGISTERED OFFICE & WORKS:**

9<sup>th</sup> KM Stone, Pipli to Ambala,  
G.T. Road, Village Masana,  
Distt. Kurukshetra,  
Haryana - 136 118.

<b>Contents</b>	<b>Page Number</b>
Corporate Information.....	3
Notice of Annual General Meeting.....	4
Director’s Report.....	17
Secretarial Auditors Report.....	24
Extract of Annual Return (MGT-9).....	28
Report on Corporate Governance.....	34
CEO & CFO Certification.....	46
Management Discussion & Analysis Report.....	47
Statutory Auditors Report.....	50
Financial Statements.....	61
Cash Flow Statement.....	65
Notes to Financial Statements.....	67
Attendance Slip.....	96
Proxy Form (MGT – 11).....	97
Ballot / Poll.....	99
Route Map.....	100

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Sh. Basudev Garg  
Smt. Mithlesh Garg  
Sh. Santosh Sharma  
Sh. Prashant Chandra Pande  
Sh. Arun Kumar Sharma

Chairman & Whole Time Director  
Non- Executive Director  
Executive Director  
Independent Director  
Independent Director

**REGISTERED OFFICE**

9<sup>TH</sup> KM Stone Pipli to Ambala  
G.T. Road. Village Masana  
Distt. Kurukshetra  
Haryana-136118

**REGISTRAR & TRANSFER AGENT**

M/s. Skyline Financial Services Pvt. Ltd.  
D-153 A, 1<sup>st</sup> floor, Okhla Industrial Area  
Phase-I, New Delhi-110020

**SECRETARIAL AUDITOR**

**AMJ & Associates**  
Company Secretaries  
F-2, Plot No. 299, Sector-4  
Vaishali, Ghaziabad, U. P.-201010

**STATUTORY AUDITOR**

**M/s Manoj & Associates**  
Chartered Accountant  
20, Chawla Complex A-215,  
Shakarpur, Delhi-110092

**COMPLIANCE OFFICER & COMPANY SECRETARY**

Ms. Preeti Varshney

**EMAIL ID & WEBSITE**

Investor Grievances-[compliances.kmg@gmail.com](mailto:compliances.kmg@gmail.com)  
Website-[www.kmggroup.com](http://www.kmggroup.com)

**LISTED AT**

Bombay Stock Exchange Limited

**BANKERS**

**Canara Bank**, Shankar Nagar, (Delhi)  
**Canara Bank**, Kurukshetra, (Haryana)  
**Syndicate Bank**, Kurukshetra, (Haryana)  
**HDFC Bank**, Kurukshetra, (Haryana)

<b>Annual General Meeting</b>	
<b>Date</b>	30.09.2022
<b>Day</b>	Friday
<b>Time</b>	01:00 PM
<b>Place</b>	9 <sup>th</sup> KM Stone, Pipli to Ambala, G.T. Road Village Masana, Distt. Kurukshetra, Haryana-136118

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of M/s KMG MILK FOOD LIMITED will be held on Friday, the 30<sup>th</sup> day of September, 2022, at 01:00 PM, at the Registered Office of the Company at 9<sup>th</sup> K.M. Stone, Pipli to Ambala, G.T. Road, Village Masana, Distt. Kurukshetra, Haryana - 136118 to transact the following business:

**ORDINARY BUSINESS:-**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31<sup>st</sup>, 2022 and the reports of the Board of Directors and Auditors thereon.**

**RESOLVED THAT** financial statement of the company as on 31<sup>st</sup> March, 2022, which includes the Balance Sheet as on 31<sup>st</sup> March, 2022, Profit and Loss Account and Cash Flow Statement of the company for the financial year 2021-2022 along with the Directors' Report and Auditors' Report thereon be and is hereby received, considered, approved and adopted.

- 2. To appoint a Director in place of Mrs. Mithlesh Garg (DIN: 00185942) as Director, who retires by rotation and being eligible, offers herself for re-appointment.**
- 3. Appointment of M/s. (Rajan Gupta & Associates), Chartered Accountants (FRN 005945C) as Statutory Auditors of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 139, 140, 141, 142 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Rajan Gupta & Associates, Chartered Accountants (Firm Registration No.005945C), be and is hereby appointed as the Statutory Auditors of the company, in place of retiring auditors M/s. Manoj & Associates, Chartered Accountants (Firm Registration No. 012867N), to hold office from the conclusion of this 30<sup>th</sup> Annual General Meeting until the conclusion of the 35<sup>th</sup> AGM of the members of the company and that the Board of Directors be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Board of Directors and the Auditors."

**SPECIAL BUSINESS**

- 4. Alteration in the Articles of Association of the Company to Increase the Authorised Capital of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 14 & Section 61(1) (a) of the Companies Act, 2013 ("the Act") and any other applicable provisions of the Act and rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof for the time being force, subject to the approval of Registrar of Companies, the consent of the members of the company hereby accorded to Alter Articles of Association in the manner herein set out below:

**The Existing Clause No. 3 of the Articles of Association be Deleted and Replaced by the following Clause:**

The Authorised Share Capital of the Company is Rs. 15,00,00,000/-(Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore and Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each with power, to subdivide consolidate and

increase and with power, from time to time, to issue any shares of the original capital with the subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

**RESOLVED FURTHER THAT** any director of the company be and is hereby authorized to file the necessary forms with the Registrar of Companies."

**5. Alteration in the Memorandum of Association of the Company to Increase the Authorised Capital of the Company.**

To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED That** pursuant to the applicable provisions of Section 13 & Section 61(1) (a) of the Companies Act, 2013 and Articles of Association of the company the Authorised Capital of the company be and is hereby increased from Rs.6,00,00,000/- (Rupees Six Crores) to Rs.15,00,00,000 ( Rupees Fifteen Crores) by creation of 90,00,000 Equity shares of Rs. 10/- (Rs. Ten) each ranking pari-passu with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the existing **Clause V** of the Memorandum of Association be substituted by the following **Clause as V**:

‘The Authorised share capital of the company is Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided in to 1,50,00,000 (One Crore and Fifty Lakh) Equity shares of Rs. 10/- (Rs. Ten) each.’

**RESOLVED FURTHER THAT** any director of the company be and is hereby authorized to file the necessary forms with the Registrar of Companies”

**6. Regularisation of Additional Independent Director, Mr. Arun Kumar Sharma, (DIN: 09623795), by appointing him as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other Rules made there under and Regulation 16(1)(b) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arun Kumar Sharma, who was appointed as an Additional Director (in the capacity of a Non-Executive Independent Director) of the company by the Board of Directors at its meeting held on 30/05/2022 pursuant to section 161 and 149 of the Act and as recommended by the Nomination and Remuneration Committee and whose term of office expires at this Annual General Meeting (AGM) and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the company to hold office for a term of 5 (five) consecutive years commencing from 30/05/2022, whose period of office will not be liable to determination by retirement of directors by rotation.

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

**7. Regularisation of Additional Director, Mr. Santosh Sharma, (DIN: 09634880), by appointing him as a Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 152, 160 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 19 (4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and other applicable laws, Mr. Santosh Sharma (DIN: 09634880), appointed as an Additional Director of the Company with effect from 11<sup>th</sup> June, 2022, who was appointed by the Board of Directors pursuant to Section 161 (1) of the Act and as recommended by the Nomination and Remuneration Committee and who holds office only up to the date of the ensuing Annual General Meeting of the Company and who is eligible for appointment and has consented to act as Director of the Company, be and is hereby appointed as a Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.

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

Registered Office:  
9<sup>th</sup> KM Stone,  
Pipli to Ambala,  
G.T. Road, Village. Masana  
Distt. Kurukshetra  
Haryana – 136 118

**Dated: 31.08.2022**  
**Place: Kurukshetra (Haryana)**

**By Order of the Board of Directors**  
**For KMG Milk Food Limited**

Sd/-

**Basudev Garg**  
**Chairman cum Whole Time Director**  
**DIN: 00282038**  
**R/o: B-2, Friends Colony West, Mathura Road, New**  
**Delhi-110065**

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN TERMS OF THE ENCLOSED FORM DULY EXECUTED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. Copies of the relevant Directors' Report, Auditors' Report, and Financial Statements of the Company are enclosed.
3. The Statement pursuant to section 102 of the Companies Act, 2013 with respect to the special business set out in the notice is annexed.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 23.09.2022 to 30.09.2022 (both days inclusive). Cutoff date for purpose of voting right is 22<sup>nd</sup> September, 2022.
5. Corporate members are requested to send the Company a duly certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice/ documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members are requested to register their e-mail with M/s Skyline Financial Services Private Limited. Your Company sends the Annual Report by electronics mode also.
7. As a measure of economy and a step toward green initiative, Members are requested to bring their copy of Annual Report to the meeting. Members/ Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
8. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
9. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrars and Transfer Agents the details as required in Form SH-13.
10. Members are requested to notify to the Company change in their addresses immediately.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:**

- (i) The voting period begins on **Tuesday 27<sup>th</sup> September, 2022** at **9.00 A.M** and ends on **Thursday 29<sup>th</sup> September, 2022** at **5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Thursday 22<sup>nd</sup> September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
----------------------	--------------



<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi /Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or</li> </ol>

	<p>click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL

platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant KMG Milk Food Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;

---

[manojfcs@gmail.com](mailto:manojfcs@gmail.com), [compliance.kmg@gmail.com](mailto:compliance.kmg@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

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

**All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.**

**Details of Directors seeking Appointment/ Re-appointment at the Annual General Meeting**

<b>Name of the Director</b>	<b>Mrs. Mithlesh Garg</b>
DIN	00185942
Date of Birth	11.08.1954
Age	68
Date of Appointment	29.09.2014
Qualification	Graduate.
Expertise in Specific functional areas	Good amount of experience in directing the board of various companies.
Directorship held in Other Public Companies as on date	NIL
Committee Positions in KMG Milk Food Limited*	NIL
Committee Positions in Other Public Companies*	NIL
No of Shares held	NIL

\*Committee positions of only Audit and Shareholders'/Investors' Grievance Committee included.

## **EXPLANATORY STATEMENT**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect to the business stated above is annexed hereto**

### **Item No. 4**

Keeping in view the future expansion plan of the company it is proposed to increase the Authorised capital of the company from Rs. 6,00,00,000/- (Rupees Six Crores) to Rs.15,00,00,000 (Rupees Fifteen Crores) by creation of 90,00,000 Equity shares of Rs. 10/- (Rs. Ten) each ranking pari-passu with the existing equity shares of the Company.

In terms of provisions of Section 14 & Section 61 (1) (a) of the Companies Act, 2013, the Authorized Share Capital of the Company may be increased with the consent of the members at the General Meeting and **Clause No. '3'** of Articles of Association is required to be altered in terms of Section 14 of the Companies Act, 2013 with the consent of members by passing Special Resolution.

Accordingly the Board recommended the resolution mentioned for member's approval.

None of the Directors are interested in the said resolution except to the extent of their Shareholding (**if any**).

### **Item No. 5**

Keeping in view the future expansion plan of the company it is proposed to increase the Authorised capital of the company from Rs. 6,00,00,000/- (Rupees Six Crores) to Rs.15,00,00,000 (Rupees Fifteen Crores) by creation of 90,00,000 Equity shares of Rs. 10/- (Rs. Ten) each ranking pari-passu with the existing equity shares of the Company.

In terms of provisions of Section 13 & Section 61 (1) (a) of the Companies Act, 2013, the Authorized Share Capital of the Company may be increased with the consent of the members at the General Meeting and **Capital Clause 'V'** of Memorandum of Association is required to be altered in terms of Section 13 of the Companies Act, 2013 with the consent of members by passing Ordinary Resolution.

Accordingly the Board recommended the resolution mentioned for member's approval.

None of the Directors are interested in the said resolution except to the extent of their Shareholding (**if any**).

### **Item No.6**

Mr. Arun Kumar Sharma who has been appointed as an Additional Independent Director of the Company pursuant to the provision of Section 161 and Section 149 of the Companies Act, 2013 with effect from 30<sup>th</sup> May, 2022 hold office upto the ensuing Annual General Meeting and is eligible for appointment as a Independent Director to hold office for 5 (Five) years. The Board considers that their association would be of immense benefit to the Company and it is desirable to avail their service Directors.

Mr. Arun Kumar Sharma is not disqualified from being appointed as a Director in terms of section 164 and Eligible u/s 149 of the Companies Act, 2013 and Regulation 16 & 25 of SEBI LODR, Regulations, 2015 and has given his consent to act as a Director.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Arun Kumar Sharma as Independent Director of the Company.

Accordingly, the Board recommends the resolution Nos. 6, in relation to appointment of Mr. Arun Kumar Sharma as Director, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned interested, financial or otherwise, in the resolution.

#### **Item No. 7**

Mr. Santosh Sharma who has been appointed as an Additional Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 with effect from 11<sup>th</sup> June, 2022 hold office up to the ensuing Annual General Meeting and is eligible for appointment as a Director. The Board considers that their association would be of immense benefit to the Company and it is desirable to avail their service Directors.

Mr. Santosh Sharma is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Santosh Sharma as Director of the Company.

Accordingly, the Board recommends the resolution Nos. 7, in relation to appointment of Mr. Santosh Sharma as Director, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned interested, financial or otherwise, in the resolution.

**By Order of the Board of Directors**  
**For KMG Milk Food Limited**

**Sd/-**  
**Basudev Garg**  
**Chairman cum Whole Time Director**  
**DIN: 00282038**  
**R/o: B-2, Friends Colony West,**  
**Mathura Road, New Delhi-110065**

**Dated: 31.08.2022**  
**Place: Kurukshetra (Haryana)**



## DIRECTORS' REPORT

Dear Member,

On behalf of the Board of Directors, hereby present the 30<sup>th</sup> Annual Report on the business and operations of the Company containing Audited statements of Accounts together with Auditors' Report for the year ended March 31, 2022.

### 01. FINANCIAL HIGHLIGHTS

*(Rs. In lacs)*

<i>Particulars</i>	<i>For the Year Ended 31.03.2022</i>	<i>For the Year Ended 31.03.2021</i>
Total Revenue	830.12	746.39
Total Expenditure excluding Depreciation, Amortization Expenses and Financial Charges	830.53	812.13
Depreciation and Amortization Expenses	17.45	19.28
Financial Charges	0.22	0.42
Profit/(Loss) before Extraordinary Item	(7.04)	8.89
Extraordinary Item	-	-
Profit/(Loss) before Tax	(7.04)	8.89
Tax Expenses	(6.63)	(11.20)
<b>Net Profit/(Loss) after Tax</b>	<b>(13.66)</b>	<b>20.09</b>

### 02. PERFORMANCE

During the period under report the Company achieved a turnover of Rs. 830.12 lacs as compared to Rs. 746.39 lacs for the previous year.

Your Company performed good as industry position during the year. However, your Directors are of the opinion that the company has the immense potential and adequate resources to achieve the rapid rate of growth in the coming years.

Keeping in view of the future expansion plan, the company needs working capital funds. Your Board is planning for infusion of funds by way of equity and also planning for some bank financing.

### 03. DIVIDEND AND RESERVES

As per the working capital requirements in the Company, your Directors do not recommend any dividend for the period under report and reserves as per Financial Statement.

### 04. CAPITAL STRUCTURE

There was no change in the company's issued, subscribed and paid up equity share capital during the period under the review. But keeping in view the future expansion plan of the company the Authorised Capital has been proposed to be increased from Rs. 6 Crores to Rs. 15 Crores.

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

There has been no change in the nature of business carried on during the financial year under the review.

## **06. NUMBER OF MEETINGS**

The detail of the number of Board and Audit Committee Meetings of your Company are set out in the Corporate Governance Report which forms part of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## **07. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS**

Your Company has not given any loan, guarantee or made any investment in any other body corporate as per the provision of Section 186 the Companies Act 2013, except as disclosed in the attached accounts.

## **08. INTERNAL FINANCIAL CONTROL**

Your company has in place adequate internal financial controls in accordance to the size of the company and with reference to financial statement. The internal financial controls have been regularly reviewed by the auditors of your company and no reportable material weakness in the design or operation was observed.

## **09. DECLARATION BY INDEPENDENT DIRECTOR**

Your Company has received declaration from all the independent directors that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with Schedule and Rules issued thereunder and also in accordance to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.

## **10. NOMINATION AND REMUNERATION COMMITTEE**

The Details Pertaining to the Composition of the Nomination and Remuneration Committee is included in the corporate governance report, which forms part of this Report.

## **11. STATE OF COMPANY AFFAIRS**

Your company is a going concern. The shares of your company are listed on Bombay Stock Exchange Limited. Your company is engaged in the production of Diary products.

## **12. DETAILS OF SIGNIFICANT AND MATERIAL ORDER**

No significant or materials order have been passed by any regulators or court or tribunals impacting the going concern status and future operation of your company.

## **13. MATERIAL CHANGES AND COMMITMENTS**

The significant changes and commitment affecting the financial position of your company from the financial year ending on 31st March, 2022 till the date of this report are as under: -

- **CHANGE IN DIRECTORS:-**

Following changes has been made in the Composition of Board of Directors of the Company:

1. Late Sh. Bharat Bhushan Raina ceased from the directorship of the Company due to his sad demise on 15.12.2021.
2. Mr. Sanjiv Sharan, (DIN: 07346257), the Independent Director of the company, had resigned from directorship w.e.f 23.05.2022.
3. Mr. Arun Kumar Sharma, (DIN: 09623795), has been appointed as Independent Director of the company w.e.f 30.05.2022.
4. Mr. Santosh Sharma, (DIN: 09634880), has been appointed as Executive Director of the company w.e.f 11.06.2022.

#### **14. AUDIT COMMITTEE**

The detail of the Audit Committee including its composition and terms of reference mentioned in the Corporate Governance Report form part of Directors' Report.

#### **15. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **Re-appointment of Directors**

In accordance with the requirements of the Companies Act, 2013 and the Company's Articles of Association, Directors seeking Appointment/ Re-appointment:

- Mrs. Mithlesh Garg, (DIN: 00185942) Director of the Company, retires by rotation and being eligible offers herself for reappointment.

Your directors solicit your approval for the reappointment of the director.

Brief resume of Directors proposed to be re-appointed, nature of their experience in their specific functional areas, name of the companies in which they hold directorship and membership/chairmanship of the Board Committees, shareholding forms part of the notice.

#### **16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Rule, 8 of The Companies (Accounts) Rules, 2014.

##### **A. CONSERVATION OF ENERGY**

Energy conservation is a very important part of energy planning and its management. This is not only saves energy resources for future but also avoids wasteful utilization of energy. Energy conservation initiatives provide solution to the energy crisis, environmental degradation and pollution. The Company is taking measures to achieve more efficiency in power and fuel consumption. The quality of coal used is being monitored to bring down consumption level.

##### **B. TECHNOLOGY ABSORPTION/RESEARCH AND DEVELOPMENT**

Efforts, in brief, made towards technology absorption, adaption and innovation. The Company as a matter of policy exposes its technical staff to latest technological developments by encouraging them to participate in domestic as

well as global technical seminars and expositions; this helps them to further improve their knowledge and skills, which in turn results in better quality products and increased productivity.

Benefits derived as a result of the above efforts Product innovation and renovation, improvement in yield, product quality, input substitution, cost effectiveness and energy conservation as the major benefits.

**C. FOREIGN EXCHANGE EARNING AND OUTGO: NIL**

**17. RISK MANAGEMENT POLICY**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your company already has “Risk Management Policy” in writing which is also uploaded on the website of the Company. The policy is regularly updated taking in to consideration the changes place in the business environment. Your company manages monitors and reports on the principal risks and uncertainties that can impact its abilities to achieve its strategic objectives. The detail of the policy is set out in the Corporate Governance which forms part of this Report.

**18. PARTICULARS OF EMPLOYEES**

During the year under report, none of the employee of the Company was in receipt of remuneration equal to/ exceeding the limit prescribed under section 197 of the Companies Act, 2013.

**19. DIRECTORS’ RESPONSIBILITY STATEMENT**

As required under section 134 sub section 5 of the Companies Act, 2013 regarding the Directors’ Responsibility Statement it is hereby stated:

- a) that in the preparation of the annual accounts for the year ended 31.03.2022, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) that the Directors have selected and applied such accounting policies consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at 31.03.2022 and of the profit or loss of the company for the year ended 31.03.2022.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d) that the Directors have prepared the annual accounts on a going concern basis.
- e) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**20. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed **M/s AMJ & Associates**, Practising Company Secretary to undertake the Secretarial Audit of the Company.

## **21. SECRETARIAL AUDITORS REPORT**

The Secretarial Auditor's Report of the Company for the Year ended March 31, 2022 are self explanatory and requires no comments. The Report of the Secretarial Auditor is annexed to the Report as per **Annexure "A"**

## **22. STATUTORY AUDITORS**

The Auditors, M/s. Rajan K. Gupta & Co, Chartered Accountants, Delhi (Firm Registration No.005945C), be appointed as statutory auditors of the Company to hold office from the conclusion of 30<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company) in place of the retiring auditors, M/s. Manoj & Associates, Chartered Accountants (Firm Registration No. 012867N).

## **23. AUDITORS' REPORT**

The Auditor's Report on the Annual Accounts of the Company for the Year ended March 31, 2022 are self explanatory and requires no comments. There is no qualification or adverse remarks on the stand-alone financials of the Company.

## **24. INTERNAL AUDITORS**

The Board of Directors is in process to appoint Internal Auditor of the company pursuant to the provisions of section 138 of the Companies Act, 2013.

## **25. LISTING**

The securities of the Company are listed at BSE Limited. The Shares of the Company have been traded at BSE trading platform. The Company has paid annual listing fees to the Stock Exchange for the financial year 2021-2022.

## **26. EXTRACT OF ANNUAL RETURN**

The detail forming part of the extract of the Annual Return in Form MGT-9 in accordance with the provision of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are set out herewith as **Annexure B** to this report.

## **27. BOARD EVALUATION**

Pursuant to the Provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance and the Directors individually.

The manner of evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting held by Independent Directors.

## **28. RELATED PARTY TRANSACTION**

None of the transactions with any of related parties were in conflict with the Company's interest. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

## **29. CORPORATE GOVERNANCE**

The Company has implemented the mandatory requirements of Corporate Governance provisions of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 voluntarily however the Provisions of Schedule V of SEBI (LODR) Regulations, 2015 regarding Disclosure of Corporate Governance Report are not applicable to Company. The Report of the Corporate Governance is annexed to the Report as per **Annexure C**.

## **30. VIGIL MECHANISM**

Your company is committed to high standards of ethical, moral and legal business conduct. Accordingly your company has established the Whistle Blower Policy which is in compliance with the provision of Section 177(10) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 for directors and employees of the Company to report genuine concerns or grievances. The vigil mechanism provides the safeguard against the victimization of person who uses such mechanism. The Company has framed the Whistle Blower Policy, which is periodically reviewed by the Audit Committee and the Board.

During the financial year 2021-2022, all the directors and employee had full access to approach the vigil mechanism officer. No complaint was received during the year 2021-2022 of any sort from any directors and employee of your company.

## **31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis, forming part of this report, as required under Regulation 34(2)(e) of **SEBI (LODR) Regulations, 2015** is attached separately to this Annual Report as per **Annexure “D”**.

## **32. DETAILS OF SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES**

None of the Company has become or ceased to become the subsidiary, joint venture or associate of your Company during the financial year 2021-22.

## **33. GREEN INITIATIVE IN THE CORPORATE GOVERNANCE**

In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its circular no. 17/2011 dated 21st April 2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs with the Company, so as to enable the company to send all notices/ reports/documents/ intimations and other correspondences etc. through e-mails, in the electronic mode instead of receiving physical copies of the same.

## **34. DEPOSIT**

During the year under review, your company has not accepted any deposits from the Public under Section 73 of the Companies Act, 2013 and rules made thereunder.

## **35. CORPORATE SOCIAL RESPONSIBILITY**

The provision of section 135(1) of the Companies Act, 2013 i.e. Corporate Social Responsibility is not applicable on your Company as the net profit of the Company below Rs. 5 Crore. Therefore your Company has not constituted CSR committee for this purpose.

## **36. PERSONNEL**

Labour Management relations were cordial during the period under report. Your Directors wish to place on record their appreciation of the valuable contribution made by all the employees to the business and operations of the company during the period under report.

### **37. INVESTOR GRIEVANCES**

The Company and investors relation has been cordial during the period under report and there are no complaints pending for Redressal.

### **38. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 Company has adopted a policy for prevention of Sexual Harassment of Women at workplace. During the year Company has not received any complaint of harassment.

### **39. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTOR**

Your Company has organized a familiarization programme for the independent directors as per the requirement of the Companies Act, 2013 along with the requirement of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

### **40. ACKNOWLEDGEMENT**

The Board of Directors acknowledge and place on record their support and cooperation extended to the Company by the Government of India and other Authorities, Financial Institutions, Banks, Distributors and Suppliers etc.

Your Directors also recognize and appreciate the untiring efforts and contributions made by the employees to ensure excellent all round performance of your Company.

**For & On Behalf of Board of Directors  
of KMG Milk Food Limited**

**Sd/-  
Basudev Garg  
Chairman cum Whole Time Director  
DIN: 00282038  
R/o: B-2, Friends Colony West  
Mathura Road, New Delhi-110065**

**Date: 31.08.2022  
Place: Kurukshetra (Haryana)**

**ANNEXURE- A**  
**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**For the Financial Year ended 31<sup>st</sup> March, 2022**

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

To  
The Members

**KMG MILK FOOD LIMITED**

9<sup>th</sup> K.M. Stone, Pipli to Ambala, G.T. Road  
Village Masana, Distt. Kurukshetra  
Haryana - 136118

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practice by **KMG MILK FOOD LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **KMG MILK FOOD LIMITED** 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 representative during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2022**, complied with the statutory provision 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **KMG MILK FOOD LIMITED** (the Company) for the financial year ended on **31<sup>st</sup> March 2022**, according to the provisions of:

1. The Companies Act 2013 (The Act) and the rules made thereunder;
2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depository Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. The following Regulation and Guidelines prescribed under the Securities Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation 2011;



- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Share) Regulations, 2021; **(Not applicable to the Company during the audit period);**
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 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) Regulation, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **(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);**

We have examined compliance with the applicable clauses of the following:

- (a) Secretarial Standard issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on the test check basis, Company has complied with the following laws applicable specifically to the Company:

- (a). Food Safety and Standards Act, 2006.
- (b). Food Safety and Standards Rules, 2011.
- (c). Food Safety and Standards (Packaging and Labeling) Regulation, 2011.
- (d). Food Safety and Standards (Licensing and Registration of Food businesses) Regulation, 2011.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following observations for Audit for the period 2021-2022.

- During the year the Company has not appointed Internal Auditors and no internal audit report was issued.

We 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 change in composition of the Board of Directors that took place during the period under review was carried out in compliance with provision of the Act.

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

Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes.

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

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and form an integral part of this report.

**For AMJ & Associates**  
**Company Secretaries**

**Date: 31.08.2022**  
**Place: Ghaziabad**

**Sd/-**  
**Manoj Kumar Jain**  
**(Proprietor)**  
**C.P. No.: 5629**  
**FCS No.: 5832**

**‘ANNEXURE A’**

To  
The Members

**KMG MILK FOOD LIMITED**

9<sup>th</sup> K.M. Stone, Pipli to Ambala, G.T. Road  
Village Masana, Distt. Kurukshetra  
Haryana - 136118

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness about the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the Statutory Auditors Report for the period under review; hence we have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our 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.

**For AMJ & Associates**  
**Company Secretaries**

**Date: 31.08.2022**  
**Place: Ghaziabad**

**Sd/-**  
**Manoj Kumar Jain**  
**(Proprietor)**  
**C.P. No.: 5629**  
**FCS No.: 5832**

**ANNEXURE-B**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March, 2022**

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

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	:	L1520HR1999PLC034125
ii)	Registration Date	:	20/01/1999
iii)	Name of the Company	:	KMG MILK FOOD LIMITED
iv)	Category / Sub-Category of the Company	:	Company Limited By Shares/ Indian Non-Government Company
v)	Address of the Registered office	:	9 <sup>th</sup> K.M. Stone, Pipli to Ambala, Village-Masana, Kurukshetra, Haryana-136118
vi)	Whether listed company Yes/No	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	M/s Skyline Financial Services Pvt. Ltd, D-153, A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/services	NIC Code of the product/Service	% to total turnover of the company
1	Dairy Product	1050	100%

**III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoter and Promoter Group</b>									
(1) Indian									
2. Individual /Hindu Undivided Family	2836435	-	2836435	53.47	2836435	-	2836435	53.47	
3. Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
4. Bodies Corporate	99840	-	99840	1.88	99840	-	99840	1.88	-
5. Financial Institution / Banks	-	-	-	-	-	-	-	-	-
6. Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	2936275	-	2936275	55.35	2936275	-	2936275	55.35	-
(2) Foreign									
a) Individual /Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b) Central Government /	-	-	-	-	-	-	-	-	-

State Government(s)									
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institution / Banks	-	-	-	-	-	-	-	-	-
e) Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>2936275</b>	<b>-</b>	<b>2936275</b>	<b>55.35</b>	<b>2936275</b>	<b>-</b>	<b>2936275</b>	<b>55.35</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	-	36400	36400	0.69	-	36400	36400	0.69	-
b) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	328500	328500	6.19	-	328500	328500	6.19	-
<b>Sub – Total (B)(1)</b>		<b>364900</b>	<b>364900</b>	<b>6.88</b>		<b>364900</b>	<b>364900</b>	<b>6.88</b>	
<b>(2) Non-Institutions</b>									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	74600	34200	108800	2.051	74600	34200	108800	2.051	-
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto Rs.2 lakh	85600	648915	734515	13.85	82100	646015	728115	13.73	(0.12)
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.2 lakh	583660	572550	1156210	21.80	-	572550	572550	10.79	(11.01)
c) Any Other (specify)									
- HUF	3200	-	3200	0.06	62000	-	62000	1.17	1.11
NRIs	-	-	-	-	-	-	-	-	-
• Clearing Members (in Transit Position)	700	-	700	0.01	1500	-	1500	0.03	0.02
• Firm	-	-	-	-	530460	-	530460	10	10
<b>Sub - Total (B)(2)</b>	<b>747760</b>	<b>1255665</b>	<b>2003425</b>	<b>37.77</b>	<b>750660</b>	<b>1252765</b>	<b>2003425</b>	<b>37.77</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>747760</b>	<b>1620565</b>	<b>2368325</b>	<b>44.65</b>	<b>750660</b>	<b>1617665</b>	<b>2368325</b>	<b>44.65</b>	<b>-</b>
<b>C. Shares hold by Custodians for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3684035</b>	<b>1620565</b>	<b>5304600</b>	<b>100</b>	<b>3684035</b>	<b>1620565</b>	<b>5304600</b>	<b>100</b>	<b>-</b>

Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year

				<b>total shares</b>				
1.	Mr. Basudev Garg	10,82,656	20.41	0	28,36,135	53.47	0	-
2.	Mrs. Mithlesh Garg	11,21,729	21.15	0	100	0.002	0	-
3.	Mr. Rahul Garg	2,79,600	5.27	0	100	0.002	0	-
4.	Mrs. Shivangi Garg	3,52,450	6.64	0	100	0.002	0	-
5.	M/s KMG International Ltd.	99,840	1.88	0	99,840	1.88	0	-

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

There has been no change in Promoters' Shareholding during the period under the review.

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

Sl. No.	For each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	SURENDER GANDHI	530460	10%	530460	10%
2.	ADBANTAGE ADVISER INDIA FUND INC	250000	4.71%	250000	4.71%
3.	SANDEEP GUPTA	191550	3.61%	191550	3.61%
4.	SANJAY GUPTA	81500	1.54%	81500	1.54%
5.	STOCK HOLDING CORPORATION	78500	1.48%	78500	1.48%
6.	BABITA GUPTA	75000	1.41%	75000	1.41%
7.	SANDEEP GUPTA	70000	1.32%	70000	1.32%
8.	TULA FINANCE LTD	59600	1.12%	59600	1.12%
9.	ARUN KUMAR GUPTA	53200	1.00%	53200	1.00%
10.	SHAKUNTLA MEHTANI	28200	0.53%	28200	0.53%

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of total Shares of the company
<b>1.</b>	<b>Mr. Basudev Garg (Whole Time Director)</b>				
	At the beginning of the year	1082656	20.41%	1082656	20.41%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	1753479	33.06%

	At the End of the year	1082656	20.41%	2836135	53.47%
<b>2.</b>	<b>Mrs. Mithlesh Garg (Director)</b>				
	At the beginning of the year	1121729	21.15%	1121729	21.15%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			(1121629)	(21.15%)
	At the End of the year	1121729	21.15%	100	0.001%
<b>3.</b>	<b>Mr. Sanjiv Saran (Director)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>4.</b>	<b>Mr. P. C Pande (Director)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

#### IV. INDEBTEDNESS

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

(All amount in Hundred Rs. unless otherwise stated)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
I) Principal Amount	-	545,212	-	545,212
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (I + II + III)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	36,000	-	36,000
• Reduction	-	-	-	-
Net Change	-	36,000	-	36,000
Indebtedness at the end of the financial year				
I) Principal Amount	-	581,212	-	581,212
II) Interest Due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Mr. Basudev Garg Whole Time Director	Total Amount
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	- - -	- - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission • as % of profit • others, specify	- -	- -
5.	Others • Medical reimbursement and Contribution to Provident Fund	-	-
	Total (A)	-	-
	Ceiling as per the Act	As Per Section 197 & Schedule V of the Companies Act, 2013	

**B. Remuneration to other Directors:**

S. No.	Particulars of Remuneration	Names of Directors			Total Amount
		Mrs. Mithlesh Garg	Mr. P. C Pande	Mr. Sanjiv Saran	
1.	• Fee for attending board / committee meetings • Commission • Others, please specify	- - - -	- - - -	- - - -	- - - -
	<b>Total (B)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>				-
	<b>Overall ceiling as per the Act</b>		<b>As Per Section 197 &amp; Schedule V of the Companies Act, 2013</b>		



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial personnel		
		Chief Financial Officer	Company Secretary	Total
1.	Gross salary	4,26,000	1,80,000	5,70,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961			
1.	c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
		-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
4.	- Others, specify	-	-	-
		-	-	-
5.	Others	-	-	-
	- Medical Reimbursement and Contribution to Provident Fund			
	<b>Total (C)</b>	<b>4,26,000</b>	<b>1,80,000</b>	<b>6,06,000</b>

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					NIL
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					NIL
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					NIL
Punishment					
Compounding					

**ANNEXURE-C**  
**CORPORATE GOVERNANCE**

**THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances. As a responsible corporate citizen, Your Company encourages and recognizes employee participation in environment and social initiatives that contribute to organizational sustainability, training, learning, personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighboring communities. Your Company's corporate structure, conduct of business and disclosure practices has been accordingly aligned to its Corporate Governance Philosophy. Your Company believes that profitability must go hand in hand with a sense of responsibility towards all the stakeholders.

**BOARD OF DIRECTORS**

The Board of Directors is an optimum combination of professionalism experiencing executive, non executive, and Independent Director formed by the shareholders, provides and evaluates the strategic directions of the Company; formulates and reviews management policies, serves and protects the overall interests of shareholders to ensure long-term value creation for stakeholders. As on 31<sup>st</sup> March 2022, the Board of Directors comprises of four members viz. Mr. Basudev Garg, Mrs. Mithlesh Garg, Mr. P.C Pande, Mr. Sanjiv Saran.

None of the Directors of the Company except the Chairman & Managing Director and Non Executive Director has any pecuniary relationship with the Company except to the extent of receipt of sitting fees for meetings of the Board/Committee(s) of Directors attended by them.

No Director is related to any other Director on the Board in terms of the definition of except Mr. Basudev Garg, and Mrs. Mithlesh Garg having relationship of spouse as define under Companies Act, 2013.

**Composition of Board:**

The Board of Directors of your company has a combination of executive, non executive and independent director in compliance with Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. As on 31<sup>st</sup> March 2022, the board comprises four members, comprising of One Executive and two Non-Executive Independent Directors and One Non-Executive Director. The Board of Directors approves and reviews strategy and oversees the action and result of management to ensure that the long term objectives of maximizing profit and enhancing shareholder value are achieved.

**Name**

**Category**

Mr. Basudev Garg  
Mrs. Mithlesh Garg  
Mr. Sanjiv Saran  
Mr. P.C Pande

Chairman & Whole Time Director  
Women and Non-Executive Director  
Independent Director  
Independent Director

**Note:**

None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.

## Board Meetings

During the financial year ended March 31, 2022, 6 meetings of the Board of Directors were held as against the minimum requirement of 4 times. None of the two Board Meetings have a gap of more than 120 days between them. The dates of meetings and the number of directors present therein are mentioned below:

### Board Meetings held and attendance

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
30.06.2021	5	5
11.08.2021	5	5
02.09.2021	5	5
13.11.2021	5	5
11.02.2022	4	4
08.03.2022	4	4

### Information supplied to the Board

The Board has complete access to all information with the Company, inter-alia, the information as required under the revised (LODR) Regulation 2015 is regularly provided to the Board as a part of Agenda.

Attendance of each Director at the Board Meetings, last Annual general Meeting and number of other Directorships and Chairmanship/ Membership of Committee of each Director in various companies is as follows:

Name of the Director	Attendance Particulars		No. of other Directorship and Committee Member/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship (in Public Co.) Excluding private companies which are subsidiary of public company	No. of Membership(s) of Board Committees in other Companies	No. of Chairmanship(s) of Board Committees in other Companies
Shri Basudev Garg	6	Yes	1	--	--
Smt. Mithlesh Garg	6	Yes	1	--	--
Shri P.C Pande	6	Yes	--	--	--
Shri Sanjiv Saran	6	Yes	1	--	--

### Separate Meetings of Independent Directors

As stipulated in Code of Independent Directors under the Schedule IV of Companies Act, 2013 and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 08.03.2022 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. All the Independent Directors attended the separate meeting

**Note:**

None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than five Committees across all the Public Companies in which they are Directors.

The directorship/ committee membership is based on the disclosures received from the directors.

**Resume of Directors Proposed To Be Reappointed**

The brief resume of Directors retiring by rotation and seeking re-appointment is appended herein above in the notice for calling Annual General Meeting.

**COMMITTEES OF THE BOARD**

The Board has constituted the following Committees with distinct role, accountability and authority:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee
3. Nomination and Remuneration Committee

**1. AUDIT COMMITTEE**

Presently, the Audit Committee constituted by the Board comprises of two Independent Directors and one Executive Director. Independent Director chaired the Committee and attended the Annual General Meeting of the Company Secretary continued to be the Secretary to the Committee. All the Members of the Audit Committee have accounting and financial management expertise.

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under section 177 of the Companies Act, 2013 and Regulation 18 and Part C of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, which include the following

As on March 31, 2022, the composition of Audit Committee was as under:

<b>Name of the Member</b>	<b>Designation</b>
Mr. Sanjiv Saran	Chairman
Mr. Prashant Chandra Pande	Member
Mr. Basudev Garg	Member

**Role of Audit Committee**

- a) Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d) Reviewing, with the Management, the Annual Financial Statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of Judgment by Management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.

- v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in the draft audit report.
- e) Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval.
  - f) Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
  - g) Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
  - h) Reviewing the adequacy of Internal Audit Function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - i) Discussion with Internal Auditors any significant findings and follow up thereon.
  - j) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
  - k) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - l) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
  - m) To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
  - n) Carrying out any other function as is mentioned in terms of reference of the Audit Committee.
  - o) To review the following information:
    - The Management Discussion and Analysis of financial condition and results of operations.
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
    - Management letters/ letters of internal control weakness issued by the Statutory Auditors;
    - Internal Audit Reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of Internal Auditors.
  - p) Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate.

**Power of Audit Committee**

- a) To investigate any activity within its terms of reference
- b) To seek any information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Details of Meetings and Attendance**

During the year, the Audit Committee had met Four times on 30.06.2021, 11.08.2021, 13.11.2021 and 11.02.2022. The attendance of each Committee members is as under:

Name of Member	No. of meetings held	Meetings Attended
----------------	----------------------	-------------------

Shri Sanjiv Saran (Chairman)	4	4
Shri Prashant Chandra Pande (Member)	4	4
Shri Basudev Garg (Member)	4	4

The head of Finance, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. Further, representatives from various departments of the Company also attended the meetings as and when desired by the members of the Committee to answer and clarify questions raised at the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

## **2. STAKEHOLDERS' RELATIONSHIP COMMITTEE (erstwhile Investor Grievances Committee)**

Presently the Stakeholders' Relationship Committee consists of two Independent Director and one Executive Director. The Committee, inter- alia approves issue of duplicate certificates, oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/Investors' complaints. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of Investor services. The Company Secretary acts as the Secretary to the Committee.

As on March 31, 2022, the composition of **Stakeholders' Relationship** Committee was as under:

<b>Name of the Member</b>	<b>Designation</b>
Mr. Sanjiv Saran	Chairman
Mr. Prashant Chandra Pande	Member
Mr. Basudev Garg	Member

During the year, the Stakeholders' relationship Committee had met on 30.06.2021 and 11.02.2022.

No complaints received and resolved during the year under review and there are no outstanding complaints as on 31.03.2022. There were no valid share transfers pending for registration for more than 30 days as of the said date.

Company Secretary has been designated as Compliance Officer to monitor the share transfer and liaison with the regulatory authorities.

## **3. NOMINATION AND REMUNERATION COMMITTEE (erstwhile Remuneration-Cum-Compensation Committee)**

Presently Nomination and Remuneration Committee erstwhile consists of three Members. All the members of the Nomination and Remuneration Committee are Non – Executive Directors and all are independent except Mrs. Mithlesh Garg. The Company Secretary acts as the Secretary to the Committee.

As on March 31, 2022, the composition of Nomination and Remuneration Committee was as under:

<b>Name of the Member</b>	<b>Designation</b>
Mr. Sanjiv Saran	Chairman
Mr. Prashant Chandra Pande	Member
Mrs. Mithlesh Garg	Member

During the year, the Nomination and Remuneration Committee Meeting had met three times on 30.06.2021, 02.09.2021 and 11.02.2022. All the Members had attended this meeting.

The Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole – time Directors based on performance and defined criteria.

Further, the remuneration policy of the company is to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

For any termination of contract, the Company or the Executive Director is required to give notice of 3 months to the other party. No Sitting Fees paid to the Directors during the financial year.

### **Remuneration Policy**

The remuneration policy of the Company is based on the principle of attracting best available talent and is in line with the industry standards. The remuneration policy is market led so as to attract and retain the best talent and seeks to leverage performance in a significant manner.

### **GENERAL BODY MEETINGS**

Date and venue of last three Annual General Meeting

<b>Nature of Meeting</b>	<b>Date and Time</b>	<b>Venue</b>	<b>Special Resolution passed</b>
27 <sup>th</sup> Annual General Meeting	28 <sup>th</sup> September 2019 at 1.00 P.M.	9 <sup>th</sup> Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana	None
28 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2020 at 1.00 P.M.	9 <sup>th</sup> Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana	None
29 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September 2021 at 1.00 P.M.	9 <sup>th</sup> Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana	None

### **DISCLOSURES**

#### **Related Party Transactions**

Related party transactions in terms of Accounting Standard-18 are set out in the notes to accounts. These transactions are not likely to have a conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee and the Board. All the related party transactions are negotiated on arms' length basis and are intended to further the interest of the Company.

#### **Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

#### **Disclosures of Risk Management**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. A Risk Management Committee consisting of Senior Executive of the Company periodically reviews these procedures to ensure that executive management controls risk through properly defined framework. The Company has

framed the risk assessment and minimization procedure, which is periodically reviewed by the Audit Committee and the Board.

#### **Proceeds from public issue, right issue, preferential issue, and FCCB issue, etc.**

During the year, the Company has not raised any funds from public issue, right issue, preferential issue and FCCB issue.

#### **Particulars of Directors to be appointed/ re-appointed**

Information pertaining to particulars of Directors to be appointed and re-appointed at the forth coming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

#### **Management Discussion and Analysis**

A Management Discussion and Analysis Report forms part of the Annual Report as **Annexure D** which includes discussions on various matters specified under Regulation 34(2) (e) and Schedule V of the Listing Regulation, 2015.

#### **Penalties or stricture imposed on the Company by Stock Exchange or SEBI or any Statutory Authority**

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years.

#### **Code of Conduct**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the Directors including Independent Directors and all the Members of executive Management. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

The Company has adopted the revised code of conduct as per the Regulation 17(5) of SEBI (Listing Obligations and Discourse Requirements) Regulations 2015. A copy of the Code has been put on the Company's website ([www.kmggroup.com](http://www.kmggroup.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Company's Chairman is published in this Report. The Company had adopted the code of conduct and ethics for Directors and senior Management. The code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website [www.kmggroup.com](http://www.kmggroup.com). The Board Members and Senior Management have affirmed their compliance with the code and a declaration signed by the Chairman & Managing Director appointed in terms of the Companies Act, 2013 is annexed to this report.

#### **Board of Directors' Responsibility Statement**

The Board in its Report to the Members of the Company have confirmed that the Annual Accounts for the year ended 31<sup>st</sup> March, 2022 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintain adequate accounting records.

#### **Compliance Certificate**

Certificate from Chartered Accountant, M/s. Manoj & Associates., confirming compliance with conditions of Corporate Governance as stipulated under schedule V of SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015, is attached to this Report.



## **CEO/CFO Certifications**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation and Requirements) Regulations, 2015. The annual certificate given by the Chief Executive Officer and the chief financial officer is published in this report.

## **MEANS OF COMMUNICATION**

The Company communicates with the shareholders at large through its Annual report and publication of financial results.

The Board of Directors of the Company approves and takes on record the Un-audited financial results within 45 days of the close of the quarter and the results are announced to all the stock exchanges where the shares of the company are listed. Further the highlights of the quarterly results in the prescribed Performa are published in the newspapers.

## **GENERAL SHAREHOLDER INFORMATION**

### a) Annual General Meeting

Date and Time : 30.09.2022 and 01:00 PM

Venue : 9th Kilometer Stone Pipli to Ambala, Village Masana, Kurukshetra, Haryana-136118

### b) Financial Year of the Company

The Company follows financial year of April 01<sup>st</sup> to March 31<sup>st</sup>.

Tentative Schedule for Financial Year 2022-2023

- 1 <sup>st</sup> Quarter ending June 30, 2022	:	Declared on 10 <sup>th</sup> August 2022
- 2 <sup>nd</sup> Quarter ending September 30, 2022	:	Mid of November 2022
- 3 <sup>rd</sup> Quarter ending December 31, 2022	:	Mid of February 2022
- Annual Result for the year ended March 31, 2023	:	End of May 2023

c) Date of Book Closure/Record Date : 23.09.2022 to 30.09.2022  
(Both Days inclusive)

d) Registered Office : 9th Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana

e) Dividend Payment Date : Not Applicable as the Board has not Proposed any dividend

f) Listing of Equity Shares on Stock Exchanges : BSE Limited

g) Stock Code  
Bombay Stock Exchange Code : 519415

h) Registrar & Share Transfer Agents : M/s Skyline Financial Services Pvt. Ltd

i) Market Price Data

Month	Value (In Rupee)		Volumes
	High	Low	
April,2021	NIL	NIL	NIL
May, 2021	20	17.15	2400
June, 2021	18	15.55	6900
July, 2021	16.3	14.8	1300
August, 2021	NIL	NIL	NIL
September, 2021	15.54	14.75	900
October, 2021	15.85	15.08	300
November, 2021	NIL	NIL	NIL
December, 2021	NIL	NIL	NIL
January, 2022	18.15	15.1	2200
February, 2022	19.05	19.05	1400
March, 2022	21	20	300

j) Liquidity

The Shares of the Company are listed on the BSE Limited. The trading of Shares are traded on BSE trading platform.

k) Dematerialization of Shares

Nearly 69.49% of total equity share capital is held in dematerialized form up to 31.03.2022 with NSDL/CDSL. The shares of the Company are listed and traded on BSE Ltd, which provide sufficient liquidity to the investors.

l) Outstanding GDRs/ADRs/Warrants or any other convertible instruments

Company does not have any GDRs/ADRs/Warrants or any other Convertible Instruments.

m) Investor Correspondence

For transfer of shares, payment of dividend on shares and any other queries relating to the shares is handled by the Company's Registrar & Share Transfer Agent at the following address:

M/s Skyline Financial Services Private Limited  
D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi- 110020.

Ms. Preeti Varshney, Compliance officer and Company Secretary as per Regulation 6 of the SEBI (Listing Obligation and Requirements) Regulations, 2015.

Investor's complaint may addressed to the following address:

Address: 9<sup>th</sup> KM Stone, Pipli to Ambala, Village Masana, Kurukshetra, HR-136118

n) Shareholding Pattern

The shareholding pattern as on 31<sup>st</sup> March 2022:

Category	No. of shares held	Percentage of Shareholding
A. Shareholding of Promoter and Promoter Group		

(1)	Indian	29,36,275	55.35
(2)	Foreign	--	--
	Total	29,36,275	55.35
<b>B.</b>	<b>Public Shareholding</b>		
(1)	Institutions	3,28,500	6.19
(a)	Mutual Funds/UTI	36,400	0.69
(b)	Financial Institutions/Banks	--	--
(c)	Foreign Institutional Investors	--	--
(d)	Any Other	--	--
	Sub Total	3,64,900	6.88
(2)	Non Institutions		
(a)	Bodies Corporate	108800	2.051
(b)	Individuals	13,00,665	24.52
(c)	Any Other	5,93,960	11.20
(d)	NRI	--	--
	Sub Total	20,03,425	37.77
	Total	23,68,325	44.65
	Grand Total	5,304,600	100.00

P) Distribution of Shareholding as on 31.03.2022

S.No.	Category (Shares)	Holders	% of Total Holders	Shares	% of Total Shares
1.	Up to 500	1056	78.05	2432100	4.58
2.	501-1,000	141	10.42	1145050	2.16
3.	1,001-2,000	81	5.99	1269000	2.39
4.	2,001-3,000	21	1.55	536000	1.01
5.	3,001-4,000	7	0.52	255000	0.48
6.	4,001-5,000	11	0.81	528000	1
7.	5,001-10,000	15	1.11	1278000	2.41
8.	10,001 & Above	21	1.55	45602850	85.97

**For & On Behalf of Board of Directors  
Of KMG Milk Food Limited**

**Date: 31.08.2022**  
**Place: Kurukshetra (Haryana)**

**Sd/-**  
**Basudev Garg**  
**Chairman cum Whole Time Director**  
**DIN: 00282038**  
**R/o: B-2, Friends Colony West**  
**Mathura Road, New Delhi-110065**

**Declaration by the Whole Time Director under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

As per requirement of SEBI Listing Regulation, 2015, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, Basudev Garg, the Whole Time Director of the Company confirm the compliance of this code by myself and other member of the Board of Directors and Senior Management personnel as affirmed by them individually, for the year ended 31<sup>st</sup> March, 2022.

**Basudev Garg**  
**Chairman cum Whole Time Director**  
**DIN: 00282038**  
**R/o: B-2, Friends Colony West**  
**Mathura Road, New Delhi-110065**

**Date: 31.08.2022**

**Place: Kurukshetra (Haryana)**

**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE FOR THE YEAR ENDED ON MARCH, 31ST 2022 UNDER SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
**The Members of KMG Milk Food Limited**

We have examined the compliance of conditions of corporate governance by M/s KMG Milk Food Limited for the year ended on 31.03.2022 as stipulated in Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

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

We state that no grievance(s) is pending against the company as per the records maintained by the Company.

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

For Manoj & Associates  
*Chartered Accountants*

**Sd/-**  
(Manoj Kumar Jain)  
Proprietor  
M.NO 091989  
FRN 012867N

Date: 31.08.2022  
Place: Delhi

**CEO & CFO CERTIFICATION**

We Basudev Garg (WTD) and Pardeep Gupta (CFO) hereby certify that in respect of financial year ended on 31<sup>st</sup> March, 2022:-

- a) We have reviewed the financial statements and cash flow statement for the year ended on 31<sup>st</sup> March, 2022 and to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
  
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2022 are fraudulent, illegal or volatile of the Company's code of conduct.
  
- c) We accept responsibility for establishing and maintaining internal controls for financing reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
  
- d) We have indicated to the Auditors and Audit Committee:
  - i. There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**  
(Basudev Garg)  
**Chairman cum Whole Time Director**  
DIN: 00282038

**Sd/-**  
(Pardeep Gupta)  
**Chief Financial Officer**  
PAN: AKWPG5616L

**Date: 31.08.2022**

**Place: Kurukshetra (Haryana)**

## **ANNEXURE-D**

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Your Directors are pleased to present before you the Company's Management Discussion and Analysis Report for the year ended on 31.03.2022.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may differ materially from those expressed or implied depending upon global and Indian demand-supply conditions, changes in government regulations, tax regimes and economic developments within India and overseas.

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Dairy Industry plays an important role in the socio-economic development of India. India's production of milk has strongly increased over time with significant technical, policy and institutional support. This led to significant changes in the Indian dairy sector. In fact, the Indian dairy sector has undergone significant structural changes over time and some interesting patterns are unfolding along the milk value chain.

Dairy industry in India is instrumental in providing cheap nutritional food to the vast population of India and also generates huge employment opportunities for people in the rural places. India's dairy industry is largely traditional, local and informal. Milk production is dominated by smallholders. Approximately 78 percent of milk producers are marginal and small farmers and they together contribute around 68 percent to total milk production. This trend holds true more or less across all the states. A series of efforts have been made to promote organized milk marketing in the country and several policy initiatives have been taken to develop formal milk marketing and processing institutions in the country. The Indian foods industry is growing rapidly. The Agricultural and Processed Food Products Export Development Authority (APEDA), under the Ministry of Commerce, is investing a substantial share of its budgeted allocation in promoting technology upgradation and value addition in key segments (rice, wheat, pulses oilseeds, spices, and dairy products among others).

The prospectus of the country's dairy sector is increasingly attractive. The sector's growth is being catalyzed by modern retail format growth, making it possible to stock a large product variety under one roof coupled with customer centric distribution schemes.

#### **QUALITY & FOOD SAFETY POLICY**

The Company's Quality Policy is: -

“Company is committed to manufacture and supply nutritional and safe products to satisfy customer requirements by a motivated team using eco-friendly measures with continual improvement in quality and food safety”

The Company has consistently shown quality improvement with regard to various processes, keeping strict control on deviations. Customer complaints are resolved using laid down systems of quality assurance. Several initiatives are being taken to further improve customer satisfaction in consonance with the Company's quality policy.

#### **OPPORTUNITIES & THREATS**

Strengths and Opportunities:

- Great potential for export of milk products.

- Established and expanding domestic market for dairy products.
- Increasing demand for fluid milk as well as value added Products.
- By product Utilization for import substitution.
- Huge Employment generation & opportunities for Self employment.
- Liberalized Government policies in dairy sector.
- Availability of large resources of unconventional feeds and fodders for Dairy owners.
- Availability of diverse germ plasm of dairy cattle and buffaloes that have unique features like heat tolerance, disease resistance, draft ability and ability to survive, breed and produce under stress conditions.

**Weaknesses and Threats:**

- Entry of Multi National Companies manufacturing dairy products in domestic market.
- Increasing chemical contaminants as well as residual antibiotics in milk.
- Poor microbiological quality of milk.
- Incentive on export of quality feed ingredients particularly cakes.
- Deficiency of molasses, a rich source of energy and binding agent in feed industry and constituent of urea molasses mineral lick.
- Excessive grazing pressure on marginal and small community lands resulting in complete degradation of land.
- Extinction of the indigenous breeds of cattle due to indiscriminate use of crossbreeding programmed to enhance milk production.

The liberalization of the Dairy Industry is likely to be exploited by multi-nationals. They will be interested in manufacturing milk products which yield high profits. It will create milk shortage in the country adversely affecting the consumer.

The analysis also shows that the 'strengths' and 'opportunities' far outweigh 'weaknesses' and 'threats'. Strengths & opportunities are fundamental and weaknesses & threats are transitory.

**SEGMENT WISE / PRODUCT WISE PERFORMANCE**

The Company is primarily engaged in the business of manufacture, purchase and sales of a wide range of Dairy products like ghee, skimmed milk powder, whole milk powder, dairy whitener, lactose and milk. The income from these activities and export of dairy products is not materially significant in financial terms. Accordingly segment information has not been disclosed.

**OUTLOOK**

The growth in the Indian economy and the Indian Dairy industries sales is expected further increase in 2022 over 2021.

The future growth expected in the domestic Dairy industries will give a fillip to the dairy industry may face stagnation for couple of years after a phenomenon growth in the past. The Indian dairy industry as whole offers great potential considering the low penetration along with rising income levels and a rapidly growing middle class. These factors will witness a boost in demand for the customers. With the dairy industries fast growing in term of volume.

**RISK AND CONCERNS**

The major risk and concerns attributed to the performance of the company are:

- a. Although the export sales are less in comparison to domestic sales, fluctuation in foreign exchange rates and international prices of dairy products may influence the performance of the company.



- b. Increase in input costs, change in tax structure, change in interest rates, changes in Government policies/ laws of land, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the company.
- c. Profitability may be affected on account of competition from existing and prospective manufacturers of the company's products.
- d. Dairy business is primarily influenced by monsoon. Unfavorable monsoon may affect the milk availability and Company may not get milk upto installed capacity and demand.

### **ADEQUACY OF INTERNAL CONTROL SYSTEMS**

The Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets. Such internal controls are according to the nature of its business and size of its operations, in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and adequately. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board.

The performance of the Company is regularly reviewed by the Audit Committee and/or the Board of Directors to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives. The Audit Committee of the Board is headed by a non-executive independent Director and all audit findings are reported on a quarterly basis to it.

### **HUMAN RESOURCE DEVELOPMENT**

Being a manufacturing Company, workers form an important link in the chain of growth. The Company maintained a cordial relationship with its personnel during the year under review. The workers are motivated with better service conditions, which is at par with the best in the industry. During the year under review, the Company had under taken extensive steps for optimizing the use of its manpower through, productivity improvement, and role enrichment. There is a continuous focus on enhancing productivity in all facets of our operations.

### **INDUSTRIAL RELATIONS**

The industrial relations in the Company with the workers at all levels are very cordial and are expected to remain cordial in future as well. The Management acknowledges the contribution of all employees in increasing its turnover manifolds.

### **FINANCIAL STATEMENT**

The turnover of your Company has increased from Rs. 840.72/- lacs in 2020-21 to Rs. 841.16/- lacs in current year. Your company has suffered a loss of Rs. 7.04 lacs as compared to profit earned of Rs. 8.89 lacs /- in the last year.

### **DISCLAIMER STATEMENT**

Statements in this report describing the current industry structure, outlook, opportunities etc. reflect the assessment and perception of the Company, which are based on certain assumptions, and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate. The Company's actual results, performance, or achievements could thus differ materially from those projected in any such forward-looking statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KMG MILK FOOD LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **KMG MILK FOOD LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2022, the loss and other comprehensive expenses, Cash Flow Statement, and statement of 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 specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no Key Audit Matters to communicate in our audit report.

**Emphasis of Matter**

We draw attention to the following matter:

- The Internal Auditor has not been appointed by the Company during the financial year to which this report related.

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

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

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

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

The Board of Directors are 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 Ind AS 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 financial controls 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, 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 paragraph 3 & 4 of the order.
  
2. As required by Section 143(3) of the Act, based on our audit 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, Cash Flow Statement, Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  
  - e) On the basis of the written representations received from the directors as on March 31st, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" and

- 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 have the following pending litigations which would impact its financial position:
- a) In the matter of Semen Bank Officer/Haryana Live Stock Development Board, Pehowa, Harayana (Milk Cess) vs. Company of Rs 71,31,64,397/- including interest of 69,79,07,522/-.
  - b) In the matter of Company vs Hitkari Industries Ltd in the Karkadoma Court for Rs.1,85,000 + 123,671/- Delhi.
  - c) In the matter of Company v/s Shree Ganesh Trading Co. Kurukshetra, Kurukshetra Court for Rs. 128,693/- plus Interest
  - d) In the matter of Company vs. Baldev Bhui in the Karkadoma Court for Rs.1,30,000/- Delhi.
  - e) In the matter of Company vs. Prem Prakash in the Karkadoma Court for Rs. 90,000+67,000/- Delhi.
  - f) Company vs. J Rai Milk Food Industry, Jalandhar in the Kurukshetra Court, Haryana for Rs. 2,04,00,000/-.
  - g) In the matter of Company vs. Rana Milk Food Pvt. Ltd., in the council Micro and Small Enterprises Facilitation Council (MSEFC) for recovery of due amount Rs. 21,10,000/-.
  - h) In matter of Company vs. Creamy Dairy Industries Pvt. Ltd., in the council Micro and Small Enterprises Facilitation Council (MSEFC) for recovery of due amount Rs. 15,88,920/-.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Manoj & Associates**  
Chartered Accountants  
FRN: 012867N

**Manoj Kumar Jain**  
(Partner)  
M. No. 091989  
Place: Delhi  
Date: 30.05.2022

**“Annexure A” to the Independent Auditors’ Report**

Referred to Independent Auditors’ Report to the members of the Company on the Ind AS financial statements of the Company for the year ended March 31<sup>st</sup>, 2022, we report that:

**1. Property, Plant & Equipments under Clause 3(i) of the Order:-**

- (a) The Company has maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipments and intangible assets during the year;  
Company has no intangible assets during the year;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment at reasonable intervals;  
No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the records of the Company, the title deeds of immovable disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

**2. Inventories under clause 3(ii) of the order:-**

- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.

**3. Investments, Guarantee / Security, Loans or Advances under clause 3(iii) of the order:-**

- (a) 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 Partnerships or any other parties, therefore clause 3(iii)(a) of the order is not applicable to the company;
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investments made and the terms and conditions of the

grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and there payments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) The company has not any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans; therefore, no disclosures required under clause 3(iii)(e) of the order;
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

**4. Compliance of provisions of Secs. 185 & 186 under clause 3(iv) of the order: -**

- (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

**5. Public Deposits under clause 3(v) of the order: -**

- (a) According to the information and explanation given to us, the Company has not accepted any deposit during the year and accordingly the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the company;

**6. Cost Records under clause 3(vi) of the order: -**

- (a) According to the information and explanation given to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Accordingly, clause 3(vi) of the Order is not applicable

**7. Statutory Dues under clause 3(vii) of the order: -**

- (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanations given to us, no amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any disputes.

**8. Unrecorded Income under clause 3(viii) of the order: -**

- (a) There are no any transactions which are 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;

**9. Repayment of Dues under clause 3(ix) of the Order: -**

- (a) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from Bank, financial institutions, from the government or from any other lender and has not issued any debentures. Therefore, the provisions of clause 3 (ix)(a) of the Order is not applicable to the Company;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The company has not applied for any term loan therefore the clause 3(ix)(c) of the order is not applicable to the company;
- (d) Company has not raised any fund on short term basis which have been utilized for long term purposes;
- (e) The company is not a Holding company of any other entity, therefore clause 3(ix)(e) is not applicable to the company;

**10. Use of money raised through issue of own shares under clause 3(x) of the order:**

- (a) In our opinion and according to the information and explanations given to us, the Company had not raised money by way of 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) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (x)(b) of the Order are not applicable to the Company and hence not commented upon.

**11. Fraud under clause 3(xi) of the order: -**

- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



**12. Nidhi Company under clause 3(xii) of the order: -**

- (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

**13. Related Party Transaction under clause 3(xiii) of the order: -**

- (a) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.(Refer note No. 26 to the Financial Statements)

**14. Internal Audit under clause 3(xiv) of the order: -**

- (a) Based on information and explanation provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business but have not appointed any Internal Auditor yet to report the internal audit during the year.

**15. Non-cash transactions with Directors under clause 3(xv) of the order:**

- a. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

**16. Registration u/s 45-IA of RBI Act under clause 3(xvi) of the order:**

- (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

**17. Cash Losses under clause 3(xvii) of the Order:**

- (a) The company has not any cash losses during the year and in the immediately preceding financial year; therefore, the clause is not applicable;

**18. Auditor's resignation under clause 3(xviii) of the order:**

- (a) No any resignation of Statutory auditors during the year, therefore clause is not applicable.

**19. Financial Position under clause 3(xix) of the order:**

- (a) 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 and 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 indicating that 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.

**20. CSR Compliance under clause 3(xx) of the order:**

- (a) According to the information and explanations provided to us during the course of audit Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, Clause is not applicable to the company.

**For Manoj & Associates**

Chartered Accountants,

FRN: 012867N

**Manoj Kumar Jain**

Proprietor

M. No. 091989

Place: Delhi

Date: 30.05.2022

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of KMG Milk Food Limited**

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

We have audited the internal financial controls over financial reporting of KMG Milk Food Limited (“the Company”) as of March 31<sup>st</sup>, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Further, as per the Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the Internal Auditor required to be appointed by the Company therefore it is advisable to the company to do the internal audit through the Internal Auditor or a firm of internal auditors.

**For Manoj & Associates**  
Chartered Accountants,  
FRN: 012867N

**Manoj Kumar Jain**  
Proprietor  
M. No. 091989

Place: Delhi  
Date: 30.05.2022

<b>KMG MILK FOOD LIMITED</b>				
<b>BALANCE SHEET AS AT 31 MARCH 2022</b>				
<b>(Amount in hundred Rs.)</b>				
		<b>Note No</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
	<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>			
(a)	Property, plant and equipment	1	206,827	218,578
(b)	Capital work - in – progress		-	-
(c)	Goodwill		-	-
(d)	Other intangible assets		-	-
(e)	Financial Assets		-	-
(i)	Investments	2	-	330
(ii)	Trade Receivable		-	-
(iii)	Loans		-	-
(iv)	Bank Balances		-	-
(v)	Others		-	-
(f)	Other non - current assets	3	84,434	82,156
(g)	Deferred tax assets (net)		-	-
<b>2</b>	<b>Current assets</b>			
(a)	Inventories	4	267,311	187,116
(b)	Financial assets			
(i)	Investments		-	-
(ii)	Trade Receivable	5	111,678	103,178
(iii)	Cash and Cash equivalent	6	15,653	94,930
(iv)	Loans	7	29,392	20,804
(v)	Bank Balances		-	-
(vi)	Others		-	-
(c)	Current tax assets (net)		-	-
(d)	Other current assets	8	21,291	23,063
	<b>Total Assets</b>		<b>736,586</b>	<b>730,154</b>
	<b>Equity and Liabilities</b>			
<b>1</b>	<b>Equity</b>			
(a)	Equity share capital	9	530,460	530,460
(b)	Instruments entirely equity in nature		-	-
(c)	Other Equity	10	(631,294)	(617632)
	<b>Total Equity</b>		<b>(100,834)</b>	<b>(87,172)</b>
<b>2</b>	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
(a)	<b>Financial liabilities</b>			
(i)	Long-term Borrowings	11	281,212	245,212
(ii)	Trade Payable			
	-Total outstanding dues of Small Enterprises and Micro enterprises		-	-
	-Total outstanding dues of creditors other than small enterprises and micro enterprises.		-	-

	(iii) Other Financial liabilities	12	300,000	300,000
	(b) Deferred Revenue/Income		-	-
	(c) Deferred tax liabilities (net)	13	23,847	17,221
	(d) Other non-current liabilities		-	-
	<b>Current liabilities</b>		<b>605,059</b>	<b>562,433</b>
(a)	Financial liabilities			
(i)	Borrowings		-	-
(ii)	Trade Payable	14		
	-Total outstanding dues of Small Enterprises and Micro enterprises		4,171	683
	-Total outstanding dues of creditors other than small enterprises and micro enterprises.		27,539	35,219
(iii)	Other Financial liabilities	15	200,651	218,992
(b)	Other current liabilities		-	-
(c)	Provisions		-	-
	<b>Total Liabilities</b>		<b>837,420</b>	<b>817,326</b>
	<b>Total equity and liabilities</b>		<b>736,586</b>	<b>730,154</b>
			-	-
<b>The accompanying notes are an integral part of the financial statements</b>				
This is the balance sheet referred to in our report of even date				
<b>For Manoj &amp; Associates</b>		For and on behalf of Board of Director		
Chartered Accountants		<b>KMG Milk Food Limited</b>		
<b>FRN 012867N</b>				
<b>Manoj Kumar Jain</b>	<b>Mithlesh Garg</b>	<b>Basudev Garg</b>	<b>Pardeep Gupta</b>	
Prop	Director	Chairman & WTD	CFO	
	DIN-00185943	DIN-0028238	PAN-AKWPG5616L	
M.No 091989				
Place: Delhi		<b>Preeti Varshney</b>		
Dated: 30.05.2022		Company Secretary		
		ACS-36841		

<b>KMG MILK FOOD LIMITED</b>					
<b>Statement of Profit and Loss for the year ended 31st March, 2022</b>					
<b>(Amount in Rs.)</b>					
		Particulars	Note No	Current Year	Previous Year
A		<b><u>Continuing operations</u></b>			
		<b>Income</b>			
	1	Revenue from operations	16	830,124	746,395
	2	Other income	17	11,038	94,330
	3	<b>Total revenue (I)</b>		<b>841,162</b>	<b>840,725</b>
	4	<b>Expenses</b>			
		Cost of Material Consumed	18	284,286	501,610
		Purchase of Stock in Trade	19	284,781	293,440
		Changes in inventories of finished goods	20	(661)	(178,189)
		Employee benefits expense	21	90,890	71,546
		Other expenses	22	171,229	123,724
		<b>Total Expenses (II)</b>		<b>830,525</b>	<b>812,131</b>
	5	<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		10,637	28,594
		Finance Cost	23	224	417
		Depreciation and amortization expense	24	17,449	19,288
	6	<b>Profit/ (loss) before extraordinary items and tax.</b>		(7,036)	8,889
7	<b>Extraordinary items</b>		-	-	
8	<b>Profit/(loss) before tax</b>		<b>(7,036)</b>	<b>8,889</b>	
	<b>Tax expense</b>				
	Current tax		-	-	
	(Less): MAT credit (where applicable)		-	-	
	Current tax expense relating to prior years		-	-	
9	<b>Net current tax expense</b>				
	Deferred tax		6,626	(11,203)	
	<b>Total Tax expense</b>		<b>6,626</b>	<b>(11,203)</b>	
10	<b>Profit/(loss) for the year</b>		(13,662)	20,092	
	(i) Minority shareholders interest- loss/(profit)		-	-	
	(ii) Share in loss of associates		-	-	
11	<b>Profit/ (Loss) for the year from continuing operations (A)</b>		<b>(13,662)</b>	<b>20,092</b>	
B		<b>Discontinuing operations</b>			
		Profit/(loss) before tax from discontinuing operations		-	-
		Tax expense of discontinuing operations		-	-

D	12		<b>Profit/(Loss) after tax from discontinuing operations (B)</b>		-	-	
	13		<b>Profit/(loss) for the year (A+B)</b>		<b>(13,662)</b>	<b>20,092</b>	
			<b>Other Comprehensive income</b>				
		(i)	Items that will not be reclassified to profit or Loss		-	-	
		(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	-	
	(III)	Items that will be reclassified to profit or loss		-	-		
(IV)	Income tax relating to items that will be reclassified to profit or loss		-	-			
	14		<b>Total comprehensive Income for the period (XIII + XIV)</b>		<b>(13,662)</b>	<b>20,092</b>	
			<b>Earnings per share (in Rs.)</b>	25			
			Basic		(0.26)	(0.26)	
			Diluted		(0.26)	(0.26)	

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

This is the Statement of Profit & Loss in our report

**For Manoj & Associates**  
Chartered Accountants  
FRN 012867N

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

Manoj Kumar Jain  
Prop  
  
M.No 091989

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841



<b>Cash Flow Statement for the Financial Year ending 31<sup>st</sup> March, 2022</b>			
<b>(Amount in Hundred Rs )</b>			
	<b>Particulars</b>	<b>For the Year Ended March 31, 2022</b>	<b>For the Year Ended March 31, 2021</b>
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit/(Loss) after interest and before tax	(7,036)	8,889
	<b><u>Adjustment for</u></b>		
	Depreciation and Amortization Expenses	17,449	19,288
	Interest Income	(3,950)	(2,516)
	(Profit)/ Loss on sale of PPE	-	-
	Provision for Retirement benefit	-	-
	Finance Cost	224	417
	Operating Cash Profit before Working Capital Changes	6,688	26,078
	<b><u>Adjustment for</u></b>		
	Increase / (Decrease) in current financial and other assets	(15,316)	(79,794)
	Increase / (Decrease) in current financial and other liabilities	(22,533)	402,632
	Increase / (Decrease) in inventories	(80,196)	(192,389)
	Cash Flow from Operations	(111,357)	156,527
	Tax Paid (Net)	-	-
	<b>Net Cash flow from Operating Activities</b>	<b>A</b>	<b>(111,357)</b>
			<b>156,527</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Decrease/ (Increase) in Investment	330	-
	Sale of Property, plant and equipment	-	-
	Purchase of Property, plant and equipment	(5,698)	(4,045)
	Interest Received	3,950	2,516
	Proceeds from bank deposits	(2,278)	-
	<b>Net Cash flow from Investing Activities</b>	<b>B</b>	<b>(3,696)</b>
			<b>(1,529)</b>

<b>C</b>	<b><u>CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
	Increase / (Decrease) in Long- Term Advances	36,000	(10,288)
	Increase / (Decrease) in Short Term Borrowing	-	-
	Increase / (Decrease) in other current Assets	-	(50,000)
	Financial Expenses Paid	(224)	(417)
	Increase / (Decrease) in Long- Term Advances	36,000	(10,288)
	<b>Net Cash flow from Financial Activities</b>	<b>35,776</b>	<b>(60,706)</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(79,278)</b>	<b>94,292</b>
	<b>Add: Balance at the beginning of the year</b>	<b>94,930</b>	<b>638</b>
	<b>Cash and Cash Equivalents at the close of the year</b>	<b>15,653</b>	<b>94,930</b>

This is the cash flow statement referred to in our report of even date

**For Manoj & Associates**  
Chartered Accountants  
FRN 012867N

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

Manoj Kumar Jain  
Prop  
  
M.No 091989

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

## **KMG MILK FOOD LIMITED**

Note to Accounts of the Financial Statements at year ending 31<sup>st</sup> March, 2022

### **1. COMPANY INFORMATION**

The Company was originally incorporated as M/S Rahul Dairy & Allied Products Ltd. in 01<sup>st</sup> January, 1992 at New Delhi under the provision of the Companies Act, 1956 and domiciled in India as a limited company and limited by shares (CIN:L15201HR1999PLC034125). Registered office of the company has been shifted from **New Delhi to Haryana** dated 21<sup>st</sup> January, 1999.

The name of the company has been changed from M/S Rahul Dairy & Allied Products Ltd. to **M/s KMG Milk Food Limited** dated 27<sup>th</sup> September, 2002. The Company is listed on the Bombay Stock Exchange. The address of the Company's registered office is 9th Kilometer Stone Pipli Toambala, Village Masana, Kurukshetra, Haryana.

The main activity of the company is Processing of Milk and manufacturing & processing of Milk related products.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

This financial statements has been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

#### **2.2 Basis of measurement**

These financial statements have been prepared on the historical cost basis except as stated otherwise.

#### **2.3 Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest hundred rupees, except as stated otherwise.

#### **2.4 Current and non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as noncurrent.

## **2.5 Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the above definition and nature of business, the Company has ascertained its operating cycle as less than 12 months for the purpose of current/non-current classification of assets and liabilities.

## **2.6 Use of estimates and judgments**

In preparing the financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

## **2.7 Impact of Covid-19 (pandemic)**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Property, plant and equipment and depreciation**

#### **3.1.1 Initial recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is 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.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of

bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

### **3.1.2 Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

### **3.1.3 Derecognition**

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

### **3.1.4 Depreciation**

Depreciation is calculated on the depreciable amount of property, plant and equipment over their estimated useful lives using the written down value method and is generally recognized in the statement of profit and loss.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by assessment.

The Company has used the following useful lives to provide the depreciation on its assets:-

<b>Particulars</b>	<b>Useful lives estimated by the management (Years)</b>	<b>Useful lives as per Schedule II</b>
Office Equipment	05	05
Furniture & Fixtures	10	10
Vehicles	08	08
Plant & Machinery	15	15
Building	30	30
Building- Guest House	60	60
Building – Fence walls	05	05
Computer	03	03

## **3.2 Intangible assets and intangible assets under development and amortization**

### **3.2.1 Recognition and measurement**

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

### **3.2.2 Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

### **3.2.3 Amortization**

Amortization is computed to write off the depreciable amount of intangible assets over their estimated useful lives using the straight-line method and is included in amortization in Statement of Profit and Loss.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## **3.3 Cash and cash equivalents**

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

## **3.4 Provisions and contingent liabilities**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible future obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of

the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of

outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

### **3.5 Revenue**

Revenue from the sale of goods is recognised when delivery has taken place and control of the goods has been transferred to the customer and when there are no longer any unfulfilled obligation.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discount, price concession, volume rebates and any taxes or duties collected on behalf of the government such as goods and services, milk cess etc. Accumulated experience is used to estimate the provision discount, prices concession and rebates. Revenue is recognised to the extent that is highly probable a significant reversal will not occur.

Revenue is measured at the value of the consideration received or receivable and amounts receivable for services provided in the normal course of business. The Company recognizes revenue when the amount of revenue and related cost can be reliably measured, and it is probable that the collectability of the related receivables is reasonably assured.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

Profit on sale of investments is determined as the difference between the sales price and carrying value of the investments on disposal of the investments

### **3.6 Employee Benefits**

#### **3.6.1 Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related services. Such obligations are measured on an undiscounted basis.

#### **3.6.2 Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees.

The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss.

#### **3.6.3 Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of defined benefit plans.

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs. Any actuarial gains or losses are recognized in statement of profit and loss in the period in which they arise.

#### **3.6.4 Other long term employee benefits**

Benefits under the Company's compensated absences constitute other long term employee benefit. Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected up to the assumed date of encashment.

The present value of obligations under such long-term benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at period end.

### **3.7 Foreign currency transactions and translation**

Transactions in foreign currencies are translated at the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

### **3.8 Income Tax**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation



purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

### **3.9 Earning per share**

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

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the 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.

### **3.10 Inventories**

- Raw materials, components, stores and spares are valued at cost. However, materials and other items held for use in the production of inventories 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. Cost of raw materials, components, stores and spares is determined on First in First out method (FIFO).

- Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on actual allocation of cost.

- Traded goods are valued at lower of cost and net realizable value. Cost of purchase and other costs in bringing the inventories to their present location and condition.

- Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

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

### **3.11 Leases**

At inception of a contract, the Company assesses whether a contract is, or contain a lease. 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.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or lesser) are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

### **3.12 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the borrowings and exchange differences to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged in the statement of profit and loss in the year they occur.

### **3.13 Indirect Tax**

Goods and Service Tax

– GST Expenses and assets are recognized net of the amount of Goods and Service Tax paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **3.14 Impairment of assets**

The Company assesses at the balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **3.15 Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Some of the key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- a) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- b) Specified format for disclosure of shareholding of promoters.
- c) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- d) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- e) Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- f) Realignment of presentation of following financial statement captions:
  - Security deposits to be presented under other noncurrent assets (earlier: under loans)
  - Current maturities of long-term borrowings to be disclosed separately under borrowings (earlier: under other current liabilities)
- g) Disclosure of charges/ satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof
- h) Prescribed disclosures where loans/ advances in the nature of loans were granted to promoters, directors, KMPs and the related parties (as defined under 2013 Act), either severally or jointly with any other person that are:
  - Repayable on demand or
  - Without specifying any terms/ period of repayment
- i) Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio (Explain items included in numerator and denominator and any change in the ratio >25% as compared to the preceding year)
- j) Disclosure of the following where borrowings are made from banks/ FI on the basis of security of current assets:
  - Whether quarterly returns/ statements of current assets filed with banks/ FI are in agreement with the books
  - Summary of reconciliation and reasons of material discrepancies (if any)
- k) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of financial statements.

The Company is assessed the impact of these changes and will accordingly incorporate the same for the financial statements for the year ended March 31, 2022.

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022**  
(All amount in hundred Rs, unless stated otherwise)

**A. Equity Share Capital\***

**As at 31<sup>st</sup> March, 2022**

Balance at the beginning of the current reporting period	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting period	Restated balance at the beginning of the reporting period	Restated balance at the end of the reporting period
<b>53,046,000</b>	-	<b>53,046,000</b>	-	<b>53,046,000</b>

**As at 31<sup>st</sup> March, 2021**

Balance at the beginning of the current reporting period	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting period	Restated balance at the beginning of the reporting period	Restated balance at the end of the reporting period
<b>53,046,000</b>	-	<b>53,046,000</b>	-	<b>53,046,000</b>

\*Refer Note No 9

**B. Other Equity**

**As at 31<sup>st</sup> March, 2022**

Particulars	Reserve and Surplus		
	Capital Reserve	Retained Earnings	Total
<b>Balance as on 1st April 2021</b>	-	(617,632)	(617,632)
<b>Changes in accounting policy or prior period item</b>	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	-	(617,632)	(617,632)
<b>Profit/(loss) for the year</b>	-	(13,662)	(13,662)
<b>Other Comprehensive Income/(Expense) (Net of taxes)</b>	-	-	-
<b>Balance at 31<sup>st</sup> March 2022</b>	-	(631,294)	(631,294)

(All amount in hundred Rs, unless stated otherwise)

As at 31<sup>st</sup> March, 2021

Particulars	Reserve and Surplus		
	Capital Reserve	Retained Earnings	Total
Balance as on 1 <sup>st</sup> April 2020	-	(637,724)	(637,724)
Changes in accounting policy or prior period item	-	-	-
Restated balance at the beginning of the current reporting period	-	(637,724)	(637,724)
Profit/(loss) for the year	-	20,092	20,092
Other Comprehensive Income/(Expense) (Net of taxes)	-	-	-
Balance at 31 <sup>st</sup> March 2021	-	(617,632)	(617,632)

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

**For Manoj & Associates**  
Chartered Accountants  
FRN 012867N

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

Manoj Kumar Jain  
Prop  
M.No 091989

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

(All amount in hundred Rs, unless stated otherwise)

Note : - 1: Property, Plant and Equipment

		Freehold land and Buildings	Plant and Equipments	Furniture & Fixture	Vehicles	Intangible assets	Total
Gross Block	Cost or Valuation						
	<b>At 1st April, 2021</b>	315,016	944,020	3,341	106,711		1,369,087
	Addition	723	4,697	113	-	165	5,698
	Disposals	-	-	-	-		-
	<b>At 31st March, 2022</b>	<b>315,738</b>	<b>948,717</b>	<b>3,454</b>	<b>106,711</b>	<b>165</b>	<b>1,374,785</b>
	Depreciation and Impairment						-
Depreciation	<b>At 1 April, 2021</b>	190,437	862,900	3,131	94,041	-	1,150,509
	Depreciation Charge for the year	4,709	8,927	17	3,669	127	17,449
	Disposals	-	-	-	-	-	-
	<b>At 31st March, 2022</b>	<b>195,147</b>	<b>871,827</b>	<b>3,147</b>	<b>97,711</b>	<b>127</b>	<b>1,167,958</b>
Net Block	<b>at 31st March, 2022</b>	<b>120,592</b>	<b>76,890</b>	<b>307</b>	<b>9,000</b>	<b>38</b>	<b>206,827</b>
	at 31st March, 2021	124,578	81,120	210	12,670	-	218,578

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

Manoj Kumar Jain  
Prop

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

(All amount in hundred Rs, unless stated otherwise)

**Financial Assets**

<b>Note-2: Investment</b>			
<b>S.No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
<b>1</b>	Government Securities (NSC)	-	330
	<b>Note: Deposit with Sale Tax department as security.</b>		
	<b>Total</b>	<b>-</b>	<b>330</b>

<b>Note-3: Other Non Current Assets</b>			
<b>S.No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
	<b>Security deposits</b>		
(a)	HSEB	31,562	31,562
(b)	Barcode	30	30
(c)	Telephone	5	5
(d)	HDFC-FDR (Pledge for bank Guarantee-date of maturity)	50,000	50,000
(e)	Interest accrued on FDR	2,837	559
	<b>Total</b>	<b>84,434</b>	<b>82,156</b>

<b>Note-4: Inventories</b>			
<b>S.No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
	Raw Material (at Cost)	-	-
	Finished Goods	178,850	178,189
	<b>Packing Material Consumable</b>	88,461	8,927
	<b>Total inventories at the lower of cost and net realisable value</b>	<b>267,311</b>	<b>187,116</b>

<b>Note-6: Cash and cash equivalent</b>			
<b>S.No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2022</b>	<b>As at 31<sup>st</sup> March 2021</b>
1	<b>Balances with banks:</b> On current accounts	14,526	91,178
2	<b>Cash on hand</b>	1,127	3,753
	<b>Total</b>	<b>15,653</b>	<b>94,930</b>

(All amount in hundred Rs, unless stated otherwise)

<b>Note-7: Loans</b> (Secured considered good unless otherwise stated)			
S. No	Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
1	Loan to Director	-	-
2	<b>Other Loans &amp; Advances:</b>		
	Earnest Money	10,000	10,000
	Advance to Parties	2,896	1,13
	GST Input paid	16,496	9,701
	<b>Total loans</b>	<b>29,392</b>	<b>20,804</b>
	Current	29,392	20,804
	Non-Current	-	-
	<b>Total loans</b>	<b>29,392</b>	<b>20,804</b>

Note: Rs. 970119 is paid by the Company against VAT input reversal via DRC 03. The amount was paid by the company is incorrectly which should be return back from the Department.

<b>Note-8: Other Current Assets</b>			
S.No	Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
1	TDS Receivable	18,720	15,291
2	Staff Advance	500	5,500
3	Prepaid expenses	1,761	2,272
4	Others	311	-
	<b>Total</b>	<b>21,291</b>	<b>23,063</b>

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

**Manoj Kumar Jain**  
Prop

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pradeep Gupta**  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841



(All amount in hundred Rs, unless stated otherwise)

**Note 5: Trade Receivables**

S.No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a)	Secured, considered good	111,678	103,178
(b)	Credit impaired	-	-
	<b>Total</b>	<b>111,678</b>	<b>103,178</b>

Ageing of Trade Receivables		As at March 31, 2022					
S.No.	Particulars	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables – considered good	6,523	70,401	6,483	-	28,270	111,678
(ii)	Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>6,523</b>	<b>70,401</b>	<b>6,483</b>	<b>-</b>	<b>28,270</b>	<b>111,678</b>

Ageing of Trade Receivables		As at March 31, 2021					
S.No.	Particulars	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables – considered good	47,263	21,161	6,483	-	28,270	103,178
(ii)	Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>47,263</b>	<b>21,161</b>	<b>6,483</b>	<b>-</b>	<b>28,270</b>	<b>103,178</b>

**Note: Trade receivables includes debts due from**

S.No.	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
1	Directors	-	-
2	Other officers of the Company	-	-
3	Firms in which any director is a partner	-	-
4	Private companies in which any director or member	-	-

**Note-9: Share Capital**

Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
<b>Authorized shares capital</b>		
60,00,000 (Previous Year 60,00,000) equity shares of Rs.10/- each	600,000	600,000
	<b>600,000</b>	<b>600,000</b>
<b>Issued, subscribed and paid-up capital</b>		
53,04,600 (Previous Year 5304600) equity shares of Rs.10/- each	530,460	530,460
	<b>530,460</b>	<b>530,460</b>

**a. Reconciliation of the no. of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares of Rs 10 each fully paid up</b>				
Share outstanding at the beginning and at the end of the year	5,304,600	53,046,000	5,304,600	53,046,000
Share issued during the year	-	-	-	-
Share bought back during the year	-	-	-	-
At the beginning and at the end of the year	5,304,600	53,046,000	5,304,600	53,046,000

**b. Rights, preferences and restrictions attached to equity shares**

The company has a single class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. In the event of liquidation of the company, the holders of equity shares will be entitled to receive residual assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held.

**c. Equity shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares of Rs. 10 each fully paid, held by M/S KMG International Ltd</b>	99,840	998,400	99,840	998,400

**d. Shareholders holding more than 5% shares of the company**

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number of Shares	% holding	Number of Shares	% holding
<b>Equity Shares of Rs. 10 each fully paid up, held by</b>				
Smt Mithlesh Garg	100	0.00%	1,121,729	21.15%
Smt Basudev Garg	2,836,135	53.47%	1,082,656	20.41%
Smt Shivangi Garg	100	0.00%	352,450	6.64%
Shri Rahul garg	100	0.00%	279,600	5.27%
M/S KMG International Ltd	99,840	1.88%	99,840	1.88%
Surrender Ghandhi	530,460	10.00%	530,460	10.00%

(All amount in hundred Rs, unless stated otherwise)

**e. Promoters Shareholding**

Shares held by the promoters at the end of the year			%Change during the year	
Promoter Name	No. of Shares	% of total Shares	No. of Shares	% of total Shares
Smt Mithlesh Garg	100	0.00%	(1,121,629)	-21%
Smt Basudev Garg	2,836,135	53.47%	1,753,479	33%
Smt Shivangi Garg	100	0.00%	(352,350)	-7%
Shri Rahul garg	100	0.00%	(279,500)	-5%
M/S KMG International Ltd	99,840	1.88%	-	0%

**Note-10: Other Equity**

S.No	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
1	<b>Retained earning</b>		
	Opening Balance	(617,632)	(637,724)
	Addition during the period	(13,662)	20,092
	<b>Total</b>	<b>(631,294)</b>	<b>(617,632)</b>
1	<b>Note:-</b> Debit balance of statement of profit and loss shall be as a negative figure under the head 'Surplus'. Similarly, the balance of 'Reserves and Surplus', after adjusting negative balance of surplus, if any, shall be shown under the head 'Reserves and Surplus' even if the resulting figure is in the negative.		

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

**Manoj Kumar Jain**  
Prop

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

(All amount in hundred Rs, unless stated otherwise)

**Note-11: Borrowings**

S.No	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
1	<b>Loan repayable on demand</b> Unsecured Loan from Directors and relative of Directors	281,212	245,212
	<b>Total</b>	<b>281,212</b>	<b>245,212</b>

**Note: Unsecured loan from director of the Company**

**Note-12: Other Long Term Liabilities**

S.No	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
1	<b>Business Advance</b>	300,000	300,000
	<b>Total</b>	<b>300,000</b>	<b>300,000</b>

**Note-13 : Deferred Tax Liabilities (Net)**

S.No	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
	<b>Deferred tax liability arising on account of:</b>		
1	Employee benefits	-	-
2	Depreciation	6,626	(11,203)
3	Opening Balance	17,221	28,424
4	Less: Deferred Tax Assets	-	-
	<b>Total</b>	<b>23,847</b>	<b>17,221</b>

**Note-15: Other financial Liabilities**

S.No	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
1	Expenses Payable	7,379	55,369
2	Received from Directors	38,717	-
3	Shree Ganesh ji Maharaj	3	3
4	Post Dated Cheques	13,594	-
5	Statutory Remittance	140,958	163,620
	<b>Total financial liabilities</b>	<b>200,651</b>	<b>218,992</b>
	<b>Total current</b>	<b>200,651</b>	<b>218,992</b>
	<b>Total non-current</b>	<b>-</b>	<b>-</b>

1. Statutory Remittance includes Rs 1,40,16,251/- (Previous Year Rs 1,41,28,751/-) for outstanding of milk cess against the supreme court order dated 07-09-2012

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

**Manoj Kumar Jain**  
Prop

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

(All amount in hundred Rs, unless stated otherwise)

**Note-14: Trade Payables**

S.No	Particulars	As at March 31 <sup>st</sup> 2022	As at March 31 <sup>st</sup> 2021
1	Total outstanding dues of micro enterprises and small enterprises	4,171	683
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	27,539	35,219
	<b>Total</b>	<b>31,710</b>	<b>35,901</b>

Ageing of Trade payables		As at March 31, 2022				
S.No	Particulars	Outstanding for the following period from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	4,171	-	-	-	4,171
(ii)	Others	27,539	-	-	-	27,539
(iii)	Disputed dues MSME	-	-	-	-	-
(iv)	Disputed dues others	-	-	-	-	-
	<b>Total</b>	<b>31,710</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,710</b>

Ageing of Trade payables		As at March 31, 2021				
S.No	Particulars	Outstanding for the following period from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	683	-	-	-	683
(ii)	Others	35,219	-	-	-	35,219
(iii)	Disputed dues MSME	-	-	-	-	-
(iv)	Disputed dues others	-	-	-	-	-
	<b>Total</b>	<b>35,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,901</b>

**Note**

- a No interest is paid/ payable during the year to any enterprise registered under the MSME Act.
- b The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSME.
- c Ageing has been considered from the date of transaction.
- d Trade payables are non- interest bearing and are normally settled on 60- day terms.

(All amount in hundred Rs, unless stated otherwise)

**Note-16: Revenue from operations**

S.No	Particulars	For the year Ended 31 <sup>st</sup> March, 2022	For the year Ended 31 <sup>st</sup> March, 2021
1	<b>Revenue from operations</b>		
(a)	<b>Sale of products</b>		
	Export	-	-
	Domestic	679,785	683,572
(b)	<b>Sale of Service</b>		
	Job Work	150,339	62,823
		830,124	746,395
2	Other operating revenues	-	-
	<b>Revenue from operations (Gross)</b>	<b>830,124</b>	<b>746,395</b>
	Less : Excise duty	-	-
	<b>Revenue from operations (Net)</b>	<b>830,124</b>	<b>746,395</b>

**Note-17: Other income**

S.No	Particulars	For the year Ended 31 <sup>st</sup> March, 2022	For the year Ended 31 <sup>st</sup> March, 2021
1	Sundry Balance written Off	7,070	91,814
2	Interest	2,516	2,516
	<b>Total</b>	<b>11,038</b>	<b>94,330</b>

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

**Manoj Kumar Jain**  
Prop  
  
M.No 091989  
FRN 012867N

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
**ACS-36841**

(All amount in hundred Rs, unless stated otherwise)

**Note-18: Cost of Material Consumed**

S. No.	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
1	Opening Stock	8,927	-
2	Add Purchase including Packing Materials	298,164	510,537
	<b>Total</b>	<b>307,090</b>	<b>510,537</b>
3	Less: Closing Stock	22,804	8,927
	<b>Total</b>	<b>284,286</b>	<b>501,610</b>

**Note-19: Purchase of Stock in Trade**

S.No	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
a.	Butter	29,500	140,409
b.	Skimmed Milk Powder	92,719	153,031
c.	Cream	18,980	-
d.	Whole Milk Powder	8,670	-
e.	Loose Ghee	134,913	-
	<b>Total</b>	<b>284,781</b>	<b>293,440</b>

**Note-20: Change in Inventories of finished goods**

S.No	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
	<b>Inventories at the the end of the year:</b>		
1	Finished goods	156,835	178,189
2	Work –in-progress	-	-
3	Stock-in-trade	22,015	-
	<b>Total</b>	<b>178,850</b>	<b>178,189</b>
	<b>Inventories at the beginning of the year:</b>		
1	Finished goods	178,189	-
2	Work –in-progress	-	-
3	Stock-in-trade	-	-
	<b>Total</b>	<b>(661)</b>	<b>(178,189)</b>

**Note-20.1: Details of Finished Goods**

S.No	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
a.	Loose Ghee	87,174	39,924
b.	Skimmed Milk Powder	9,046	78,962
c.	Butter	-	59,303
d.	Cream	198	-
e.	Whole Milk Powder	6,319	-
f.	Other Items	54,098	-
	<b>Total</b>	<b>156,835</b>	<b>178,189</b>

(All amount in hundred Rs, unless stated otherwise)

<b>Note-21: Employee benefit expense</b>			
<b>S. No</b>	<b>Particulars</b>	<b>For the Year ended 31<sup>st</sup> March 2022</b>	<b>For the Year ended 31<sup>st</sup> March 2021</b>
1	Salaries, wages and bonus	88,605	52,995
2	Contribution to provident fund and other funds	1,175	17,400
3	ESI	328	325
4	Staff welfare expenses	752	825
	<b>Total</b>	<b>90,890</b>	<b>71,546</b>

<b>Note-22: Other expenses</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>For the Year ended 31<sup>st</sup> March 2022</b>	<b>For the Year ended 31<sup>st</sup> March 2021</b>
1	Freight Inward	1,199	2,580
2	Weight	15	2,80
3	Store-Hush & Charcoal	57,092	39,477
4	Packing Material Consumed	1,364	1,357
5	Store Lab	182	1,319
6	Cess	7,350	-
7	Cold Storage Charges	550	-
8	Consumables	173	-
9	Power and Fuel Expenses	66,058	43,903
10	Selling & Distribution Expenses	656	692
11	Distribution, advertising and business promotion	690	875
12	Repairs and maintenance -Building - Machinery -Others	4 7,784 308	354 10,938 43
13	Insurance	294	-
14	Miscellaneous expenses	921	-
15	Legal and professional expenses	5,792	5,441
16	Office Expenses	5,226	2,678
17	Stock Exchange Expenses	3,225	3,275
18	Postage Expenses	336	254
19	Travelling and conveyance	2,238	247
20	Festival Expenses	226	205
21	Fees & Taxes	3,334	4,426
22	Communication costs	205	538
23	Vehicle Mainenace Expenses	3,923	3,279
24	Printing and stationery	476	499
25	Donation	180	-
26	Penalty	55	3
27	Rate & Taxes	275	-
28	Payment to auditor ( Audit and other expenses)	1,100	1,062
	<b>Total</b>	<b>171,229</b>	<b>123,724</b>



**Note-23: Finance Cost**

(Amount in Rs. Hundred)

S. No.	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
1	Bank Charges	224	417
	<b>Total</b>	<b>224</b>	<b>417</b>

**Note-24: Depreciation and amortization expenses**

(Amount in Rs. Hundred)

S. No.	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
1	Depreciation of tangible assets	17,449	19,288
	<b>Total</b>	<b>17,449</b>	<b>19,288</b>

**Note-25: Earning per share**

(Amount in Rs. Hundred)

S. No.	Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
1	Net profit attributable to equity shareholders		
	Profit after tax	(13,662)	20,092
2	Nominal value of equity share (Rs.)	10	10
3	Total number of equity shares outstanding at the beginning of the year	5,304,600	5,304,600
4	Total number of equity shares outstanding at the end of the year	5,304,600	5,304,600
5	Weighted average number of equity shares	5,304,600	5,304,600
	<b>Basic/ Diluted</b>	<b>(0.26)</b>	<b>(0.38)</b>

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

**Manoj Kumar Jain**  
Prop

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

**(All amount in hundred Rs, unless stated otherwise)**

**Note-26 Related Party transactions**

Related Party relationships/ transactions warranting disclosures under Accounting Standard – 18 on “Related Party

S.No.	Name and relation of Related Party	Nature of Relationship with the reporting enterprise
1	Mithlesh Garg	Director
2	Basudev Garg	Director
3	KMG International Ltd	Enterprises in which Director is a Director
4	Pradeep Gupta	Key Managerial Personnel
5	Preeti Vaeshney	Key Managerial Personnel
6	Rahul garg	Relative of Director

Disclosures” prescribed under The Companies (Accounting Standards) Rules, 2006 are as under:

**Related Party Transactions**

S.No.	Name	Nature of Transaction	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
1	Basudev Garg	Loan Taken	16,000	20,962
2	Basudev Garg	Loan Repayment	-	6,000
3	Mithlesh Garg	Loan Taken	20,000	14,772
4	Mithlesh Garg	Loan Repayment	-	10,022
5	KMG International Ltd	Loan Taken	-	300,000
6	Pardeep Gupta	Salary	3,692	3,490
7	Preeti Vaeshney	Salary	1,800	1,800
		<b>Total</b>	<b>41,492</b>	<b>357,046</b>

**Closing Balances of Related Party Transactions**

S.No.	Name	Nature of Transaction	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
1	Basudev Garg	Loan	94,462	78,462
2	Mithlesh Garg	Loan	165,750	145,750
3	KMG International Ltd	Loan	300,000	300,000
4	Rahul Garg	Loan	10,000	10,000
5	Shivangi Garg	Loan	11,000	11,000
6	Pardeep Gupta	Expense Payable	327	626
7	Preeti Vaeshney	Expense Payable	150	300
		<b>Total</b>	<b>581,689</b>	<b>546,139</b>

**Note-27: Lease**

**Operating lease: Company as lessee**

The Company has not entered into any operating leases for office premises, rentals during for the year.

(All amount in hundred Rs, unless stated otherwise)

**Note-28: Due to Micro, small and medium enterprises as defined under the MSMED Act, 2008**

Particulars	For the year Ended 31 <sup>st</sup> March, 2022	For the year Ended 31 <sup>st</sup> March, 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	4,171	683
-Principal amount due to micro and small enterprises	-	-
-Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with amounts of payment made to supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**Note: 29 Key Ratios**

**Disclosure of the Key ratios as per Schedule III amended dated 24.03.2021**

S.No	Ratio	Numerator	Denominator	As at March 31 <sup>st</sup> , 2022	As at March 31 <sup>st</sup> , 2021	% of Change	Reason
1	Current Ratio	Total Current Assets	Total Current Liabilities	0.52	0.59	12%	
2	Debt Equity Ratio	Total Borrowing	Total Equity	2.79	2.81	1%	
3	Debt Service Coverage Ratio	Earning for debt Service = Net Profit after taxes + Non cash operating expenses + Interest + Other non-cash	Debt service = Interest and lease payments + Principal repayments	0	0	0%	
4	Return on Equity (ROE)	Profit/(Losses) for the period less Preference dividend (if any)	Average total equity	7.5%	0.2%	-4379%	Change is due to company profitability are change from the last year. During the year company has incurred the loss.
5	Inventory Turnover Ratio	Cost of Goods sold = Cost material Consumed + Purchases of stock in trade + Change in Inventories of Finished goods, Work in Progress and stock in trade	Average Stock	1.25	1.56	20%	Change is due to the reduction in the cost of material consumed from the last year
6	Trade receivables turnover ratio	Revenue from Operations	Average Trade Receivables	7.73	0.52	-1384%	Change is due to the decrease in the average trade receivable
7	Trade payables turnover ratio	Net purchase = Purchase of Stock in trade + Purchase of Raw Material	Average Trade Payables	18.58	0.36	-4993%	Change is due to company less purchase has been done by the company in the current year.
8	Net capital turnover ratio	Revenue from Operations	Working Capital = Total Current Asset – Total Current Liabilities	(3.90)	(4.28)	9%	
9	Net profit ratio	Profit/(Loss) for the period	Revenue from Operations	-1.6%	2.7%	161%	Change is due to company profitability are change from the last year. During the year company has incurred the loss.
10	Return on capital employed (ROCE)	Earning before finance cost and tax	Capital employed = tangible net worth + Total Borrowings + Deferred Tax Liabilities (if any)	-3.3%	5.3%	163%	Change is due to company profitability are change from the last year. During the year company has incurred the loss.

Note: Ratio for Return on Investment not covered not covered since no investments is held by the Company.

**Note: - 13 Deferred Tax Asset/ Liabilities**

Deferred Tax Assets/Liability		
S.NO.	Particulars	As at March 31, 2022.
<b>A</b>	<b>Fixed Asset WDV Effect</b>	
	WDV of Fixed Assets as per Income Tax Act	115,108
	WDV of Fixed Assets as per Companies Act	206,827
	Timing Difference	(91,718)
	Tax on Timing Difference @ 26%	(23,847)
	Opening balance Liability/(asset)	17,221
	Deferred tax credit/(charge)	(6,626)
<b>B</b>	<b>Provision for employee benefits</b>	
	Provision for Gratuity	-
	Bonus	-
	Leave Encashment	-
	Milk Cess	-
	Timing Difference	-
	Tax on Timing Difference @ 26%	-
	Opening balance Liability/(asset)	-
	Deferred tax credit/(charge)	-
	<b>Total Deferred tax credit/(charge)</b>	<b>(6,626)</b>
	TDS Not Deducted u/s 40 (a) (i)	-
	Timing Difference	-
	Tax on Timing Difference @ 25.75%	-
	Opening balance Liability/(asset)	-
	Deferred tax credit/(charge)	-
	<b>Total Deferred tax credit/(charge)</b>	<b>-</b>
	<b>Transfer To P&amp;L</b>	<b>(6,626)</b>
	<b>Transfer to Balance Sheet</b>	<b>(23,847)</b>

**Note-30: Borrowings secured against current assets**

The Company do not have borrowings which are taken from the bank or financial institution against security of current assets during the year.

**Note-31: Loans or Advances disclosures**

During the year company does not have granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

**Note-32: Contingent Liabilities**

- a. No provision has been made in the account for doubtful debts and advances. These all are considered by the management as recoverable.
- b. Company has received the notice from semen Bank Officer/Haryana Live Stock Development Board (HLSD), Pehowa, Haryana dated 05.04.2018 regarding payment of cess of Rs. 71,31,64,397/- Including Interest of Rs. 69,79,07,522/- for the period 09.09.2001 to 31.03.2018. Company has applied for OTS Scheme with Haryana Live Stock Development Board during the month of Nov. 2019 but as per the information received by the company HLSD Board has rejected the application. However company has also filed the application for waving off interest which is still in consideration by the board.

**(A) The pending court cases against and for the company is as under:**

1. In the matter of Semen Bank Officer/ Haryana Live Stock Development Board, Pehowa, Haryana (Milk Cess) vs. Company of Rs. 71,31,64,397/- Including interest of Rs. 69,79,07,522/-
2. In the matter of Company vs. Hitkari Industries Ltd in the Karkadoma Court for Rs. 185000 + 123671/- Delhi.
3. Company vs. Shree Ganesh Trading Co. Kurukshetra, Kurukshetra Court for Rs. 128693 + Interest.

**Court cases for recovery u/s 138**

1. In matter of Company vs. Baldev Bhul in the Karkadoma Court for Rs. 1,30,000/- Delhi.
2. In the matter of Company vs. Prem Prakash in the Karkadoma Court for Rs. 90,000 + 67,000/- Delhi.
3. Company vs. J Rai Milk Food Industry, Jalander in the Kurukshetra Court, Haryana for Rs. 2,04,00,000/-

**Cases under MSME**

- 1) In the matter of Company vs. Rana Milk food Pvt. Ltd, in the council Micro and Small Enterprises Facilitation Council (MSEFC) for recovery of due amount Rs. 21,10,000/-
- 2) In the matter of Company vs. Creamy Dairy Industries Pvt. Ltd, in the council Micro and Small Enterprises Facilitation Council (MSEFC) for recovery of due amount Rs. 15,88,920/-

**Note-33 Other Statutory Compliance**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company do not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company have not any such transaction which is 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.

(viii) During the previous year ended 31<sup>st</sup> March, 2021 the Central Government has published The code on Social Security, 2020 and Industries Relations Code, 2020(“the Codes”) in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

**Note-34:** Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.

**Note-35: Previous Year figures have been regrouped / reclassified, where necessary, to confirm to this year’s classification.**

**For Manoj & Associates**  
Chartered Accountants

For and on behalf of Board of Directors  
**KMG Milk Food Limited**

**Manoj Kumar Jain**  
Prop

**Mithlesh Garg**  
Director  
DIN-00185942

**Basudev Garg**  
Director  
DIN-00282038

**Pardeep Gupta**  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place: Delhi  
Dated: 30.05.2022

**Preeti Varshney**  
Company Secretary  
ACS-36841

**KMG MILK FOOD LIMITED**  
**CIN: L15201HR1999PLC034125**  
**Regd. Office: 9<sup>th</sup> Kilometer Stone, Pipli to Ambala, Village Masana, Kurukshetra,**  
**Haryana-136118**  
**Tel.: 01744-279452 Fax.: 01744-279453 Website: www.kmggroup.com**  
**Email.: compliances.kmg@gmail.com**

**ATTENDANCE SLIP**

I certify that I am a registered shareholder / proxy / authorized representative for registered shareholder of the Company.

I hereby record my presence at the **30<sup>th</sup> Annual General Meeting** of **KMG Milk Food Limited** held on Friday, 30<sup>th</sup> September, 2022 at 1:00 P.M. at the Registered office of the Company at 9<sup>th</sup> K.M. Stone, Pipli to Ambala, Vill. Masana, Distt. Kurukshetra, Haryana - 136 118

Name & Address of the shareholder (in BLOCK letters)

\_\_\_\_\_

Name of the Proxy Holder / Authorized Representative (if applicable)

\_\_\_\_\_

No of shares held \_\_\_\_\_

Ledger Folio No. \_\_\_\_\_

Member's / Proxy's Signature \_\_\_\_\_

Note: Please fill this attendance slip and hand it over at the ENTRANCE OF THE MEETING ROOM.

.....



**KMG MILK FOOD LIMITED**  
**CIN: L15201HR1999PLC034125**  
**Regd. Office: 9<sup>th</sup> Kilometer Stone, Pipli to Ambala, Village Masana, Kurukshetra,**  
**Haryana-136118**  
**Tel.: 01744-279452 Fax.: 01744-279453 Website: www.kmggroup.com**  
**Email.: compliances.kmg@gmail.com**

**FORM NO. MGT-11**  
**PROXY FORM**

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

Name of the member (s): .....  
Registered address: .....  
E-mail Id: .....  
Folio No/ Client Id: .....  
DP ID: .....

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name:..... Address:.....  
E-mail Id: .....Signature:....., or failing him;
2. Name:..... Address:.....  
E-mailId: .....Signature:....., or failing him ;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the KMG Milk Food Limited, to be held on Friday, 30<sup>th</sup> September, 2022 at the Registered office of the Company at 9<sup>th</sup> K.M. Stone, Pipli to Ambala, Village Masana, Distt. Kurukshetra, Haryana - 136 118 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution No.</b>		<b>Optional</b>	
		<b>For</b>	<b>Against</b>
<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2022 and reports of the Board of the Directors and the Auditors thereon.		
2.	Re-appointment of Mrs. Mithlesh Garg (DIN: 00185942) as director, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of M/s. (Rajan Gupta & Associates), Chartered Accountants (FRN 005945C) as Statutory Auditors of the company in place of M/s. Manoj & Associates, Chartered Accountants (FRN:- 012867N).		
<b>Special Business</b>			
4.	Alteration in the Articles of Association of the Company to Increase the Authorised Capital of the Company.		
5.	Alteration in the Memorandum of Association of the Company to Increase the Authorised Capital of the Company.		
6.	Regularisation of Mr. Arun Kumar Sharma (DIN: 09623795) as an Independent Director		
7.	Regularization of Additional Director, Mr. Santosh Sharma (DIN: 09634880) as Director of the company.		

Signed this ..... day of ..... 2022.

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

\* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**KMG MILK FOOD LIMITED**

**CIN: L15201HR1999PLC034125**

**Regd. Office: 9<sup>th</sup> Kilometer Stone, Pipli to Ambala, Village Masana, Kurukshetra,  
Haryana-136118**

**Tel.: 01744-279452 Fax.: 01744-279453 Website: www.kmggroup.com**

**Email: compliances.kmg@gmail.com**

**BALLOT/POLL FORM**

The member who are not able to attend the Annual General Meeting can send their assent or dissent in writing in respect of the resolutions as set out in the notice by sending the duly filed and signed ballot/Poll form to Mr. Manoj Kumar Jain, PCS, Scrutinizer c/o F-2, Plot No-299, Sector-4, (Near Vaishali Metro Station) Vaishali, Ghaziabad, UP-201010 Ph: 0120-4138598 so as to reach him on and before 30<sup>th</sup> September, 2022.

<b>Name</b>	
<b>Address</b>	
<b>DP Id</b>	
<b>Client Id</b>	
<b>No. of Shares held</b>	

I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s)/Special Resolution as specified in the notice of KMG Milk Food Limited dated 31<sup>st</sup> August, 2022 to be passed through ballot/poll for the business stated in the said notice by conveyance my /our assent or dissent to the resolution in the relevant box.

	Type of Resolution (Ordinary/Special)	I/We assent to the Resolution(For)	I/We dissent to the Resolution(Against)
<b>A. Ordinary Business</b>			
1. Adoption of Audited Financial Statements for the financial year ended March 31, 2022 and reports of the Board of the Directors and the Auditors thereon.	Ordinary		
2. Re-appointment of Mrs. Mithlesh Garg (DIN: 00185942) as director, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
3. Appointment of M/s. (Rajan Gupta & Associates), Chartered Accountants (FRN 005945C) as Statutory Auditors of the company in place of M/s. Manoj & Associates, Chartered Accountants (FRN: - 012867N).	Ordinary		
<b>B. Special Business</b>			
4. Alteration in the Articles of Association of the Company to Increase the Authorised Capital of the Company.	Special		
5. Alteration in the Memorandum of Association of the Company to Increase the Authorised Capital of the Company.	Ordinary		
6. Regularization of Additional Director, Mr. Santosh Sharma (DIN: 09634880) as Director of the company.	Ordinary		
7. Regularisation of Additional Independent Mr. Arun Kumar Sharma (DIN: 09623795) as an Independent Director.	Ordinary		

**Signature of the Member/ Beneficial Owner**

## Route Map to the Venue of Annual General Meeting

9<sup>th</sup> Kilometer Stone, Pipli to Ambala, Village Masana, Kurukshetra, Haryana-136118

