

# **KMG MILK FOOD LIMITED**

## **27<sup>th</sup> ANNUAL REPORT** **2018-2019**

**REGISTERED OFFICE & WORKS:**

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

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<b>Contents</b>	<b>Page Number</b>
Corporate Information.....	3
Notice of Annual General Meeting.....	4
Director’s Report.....	12
Secretarial Auditors Report.....	19
Extract of Annual Return (MGT-9).....	23
Report on Corporate Governance.....	30
CEO & CFO Certification.....	42
Management Discussion & Analysis Report.....	43
Statutory Auditors Report.....	47
Financial Statements.....	55
Cash Flow Statement.....	59
Notes to Financial Statements.....	60

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Sh. Basudev Garg	Chairman & Whole Time Director
Smt. Mithlesh Garg	Non- Executive Director
Sh. B. B. Raina	Director
Sh. M. S. Venkateswaran	Independent Director
Mr. Ravi Jaisalmeria	Executive Director
Mr. Sanjiv Sharan	Independent Director
Mr. Prashant Chandra Pande	Independent Director
Sh. Pardeep Gupta	Chief Financial Officer

**REGISTERED OFFICE**

9<sup>TH</sup> KM Stone Pipli to Ambala  
G.T. Road. VillMasana  
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 Secretary  
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 OFFICE & 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>	28.09.2019
<b>Day</b>	Saturday
<b>Time</b>	01:00 PM
<b>Place</b>	9 <sup>th</sup> KM Stone, Pipli to Ambala, G.T. Road VillMasana, Distt. Kurukshetra, Haryana- 136118

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of M/s KMG MILK FOOD LIMITED will be held on Wednesday, the day of 28<sup>th</sup> September, 2019 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, 2019 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, 2019, which includes the Balance Sheet as on 31<sup>st</sup> March, 2019, Profit and Loss Account and Cash Flow Statement of the company for the financial year 2018-19 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 Mr. Bharat Bhushan Raina (DIN: 02154557) as Director, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:-**

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

Regularisation of Additional Director, Mr. Ravi Jaisalmeria, (DIN: 03604301), by appointing him as a Director of the Company:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Ravi Jaisalmeria (DIN: 03604301), who was appointed as Additional Director with effect from 06.06.2019 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

Regularisation of Additional Independent Director, Mr. Sanjiv Sharan, (DIN: 07340257), by appointing him as an Independent Director of the Company:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sanjiv Sharan (DIN: 07340257), who was appointed as Additional Independent Director with effect from 06.06.2019 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for 5 (Five) years effective from the date of appointment by the Board, i.e. from 06.06.2019 to 05.06.2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

Regularisation of Additional Independent Director, Mr. Prashant Chandra Pande, (DIN: 0008527342), by appointing him as an Independent Director of the Company:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Prashant Chandra Pande(DIN: 0008527342), who was appointed as Additional Independent Director with effect from 14.08.2019 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for 5 (Five) years effective from the date of appointment by the Board, i.e. from 14.08.2019 to 13.08.2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

**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: 31.08.2019**  
**Place: Kurukshetra (Haryana)**

**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 21.09.2019 to 28.09.2019 (both days inclusive). Cutoff date for purpose of voting right is 21<sup>st</sup> September, 2019.
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.
- 11. Voting through electronic means:**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, read with Secretarial Standard on General Meeting, the Company is pleased to provide members facility to exercise their right to vote on resolution proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting) will be provided by Central Depository Services (India) Limited (CDSL):  
  
**(A) The instructions for members for voting electronically are as under:-**  
  
In case of members receiving e-mail:
    - i) Log on to the e-voting website  
[www.evotingindia.com](http://www.evotingindia.com)

- i) Click on “Shareholders” tab.
- ii) Now, select “KMG MILK FOOD LIMITED” from the drop down menu and click on “SUBMIT”
- iii) Now Enter your User ID
  - a. For CSDL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing passed is to be used.
- vi) If you are a first time user follow the steps given below:-

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in dematerialized form will now reach ‘Password Creation’ menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be also used by the Dematshareholders for voting for resolutions of any company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- x) Click on “**KMG MILK FOOD LIMITED**”
- xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “Confirm” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <http://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**(B) In case of members receiving the physical copy:-**

- (i) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

**(C)**

- (i) The voting period begins on **25<sup>th</sup> September, 2019(9:00 AM)** and ends on **27<sup>th</sup>September, 2019(5:00 PM)**. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21<sup>st</sup> September, 2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on Resolution is cast by the shareholders, the shareholders shall not be allowed to change it subsequently.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (iii) The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e- voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

II. The Company has appointed Mr. Manoj Kumar Jain, Company secretary in whole-time practice as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

III. The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the Website of the Company i.e., viz, [www.kmggroup.com](http://www.kmggroup.com) within two days of passing the Resolution of the AGM of the Company.

**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>Mr. Bharat Bhushan Raina</b>	<b>Mr. Ravi Jaisalmeria</b>
DIN	02154557	03604301
Date of Birth	12.09.1948	11/10/1981
Age	70	37
Date of Appointment	30.06.2008	06/06/2019
Qualification	B. Tech (Dairy Technology)	Graduate
Expertise in Specific functional areas	Good amount of experience in Industry on serving as a director on board of various companies.	Good amount of experience in Industry on serving as a director on board of various companies.
Directorship held in Other Public Companies as on date	NIL	NIL
Committee Positions in KMG Milk Food Limited*	NIL	NIL
Committee Positions in Other Public Companies*	NIL	NIL
No of Shares held	215000	NIL

<b>Name of the Director</b>	<b>Mr. Sanjiv Sharan</b>	<b>Mr. Prashant Chandra Pande</b>
DIN	07340257	08527342
Date of Birth	05/05/1959	10/03/1949
Age	60	70
Date of Appointment	06/06/2019	14/08/2019
Qualification	Graduate	Graduate
Expertise in Specific functional areas	Good amount of experience in Industry on serving as a director on board of various companies.	Good amount of experience in Industry on serving as a director on board of various companies.
Directorship held in Other Public Companies as on date	1; NEW LINK OVERSEAS FINANCE LIMITED	NIL
Committee Positions in KMG Milk Food Limited*	NIL	3
Committee Positions in Other Public Companies*	NIL	NIL
No of Shares held	NIL	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. 3**

Mr. Ravi Jaisalmeria 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 6<sup>th</sup> June, 2019 hold office upto this 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 services as Directors.

Mr. Ravi Jaisalmeria 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. Ravi Jaisalmeria as Director of the Company.

Accordingly, the Board recommends the resolution Nos. 3, in relation to appointment of Mr. Ravi Jaisalmeria as Directors, 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 or interested, financial or otherwise, in the resolution.

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

Mr. Sanjiv Sharan who has been appointed as an Additional Independent Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 with effect from 6<sup>th</sup> June, 2019 hold office upto this Annual General Meeting and is eligible for appointment as an 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 services as Directors.

Mr. Sanjiv Sharan 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. Sanjiv Sharan as an Independent Director of the Company.

Accordingly, the Board recommends the resolution Nos. 4, in relation to appointment of Mr. Sanjiv Sharan as Directors, 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 or interested, financial or otherwise, in the resolution.

**Item No. 5**

Mr. Prashant Chandra Pande who has been appointed as an Additional Independent Director of the Company pursuant to the provision of Section 161 of the Companies Act, 2013 with effect from 14<sup>th</sup> August, 2019 hold office upto this Annual General Meeting and is eligible for appointment as an 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 services as Directors.

Mr. Prashant Chandra Pande 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. Prashant Chandra Pande as an Independent Director of the Company.

Accordingly, the Board recommends the resolution Nos. 5, in relation to appointment of Mr. Prashant Chandra Pande as Directors, 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 or 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: 31.08.2019**  
**Place: Kurukshetra (Haryana)**

## DIRECTORS' REPORT

Dear Member

On behalf of the Board of Directors, hereby present the 27<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, 2019.

### 01. FINANCIAL HIGHLIGHTS

*(Rs. In lacs)*

<i>Particulars</i>	<i>For the Year Ended 31.03.2019</i>	<i>For the Year Ended 31.03.2018</i>
Total Revenue	82.08	49.60
Total Expenditure excluding Depreciation, Amortization Expenses and Financial Charges	203.40	162.16
Depreciation and Amortization Expenses	29.60	44.36
Financial Charges		
Profit/(Loss) before Extraordinary Item	-149.14	-152.40
Extraordinary Item	-	-
Profit/(Loss) before Tax	-149.14	-152.40
Tax Expenses	7.59	-7.86
<b>Net Profit/(Loss) after Tax</b>	<b>-141.55</b>	<b>-160.27</b>

### 02. PERFORMANCE

During the period under report the Company achieved a turnover of Rs. 82.08 lacs compared to Rs. 49.60 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.

### 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 Dairy 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**

No significant changes and commitment affecting the financial position of your company from the financial year ending on 31<sup>st</sup> March, 2019 till the date of this report.

**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 Director's Report.

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**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:

1. Mr. Bharat Bhushan Raina, (DIN: 02154557) Director of the Company, retires by rotation and being eligible offers herself for reappointment.
2. Regularisation of Additional Director, Mr. Ravi Jaisalmeria, (DIN: 03604301), by appointing him as Director of the Company
3. Regularisation of Additional Independent Director, Mr. Sanjiv Sharan, (DIN: 07340257), by appointing him as an Independent Director of the Company.
4. Regularisation of Additional Independent Director, Mr. Prashant Chandra Pande, (DIN: 0008527342), by appointing him as an Independent Director of the Company

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.

**Change in Key Managerial Personnel**

During the year, Ms. Preeti Varshney, Company Secretary, KMP and Compliance Officer of the Company have been appointed to fill the casual vacancy caused by the resignation of Ms. Jyoti Sharma from the service of the Company. The resignation & appointment was effective from 10<sup>th</sup> April, 2019 & 11<sup>th</sup> April, 2019 respectively.

Mr. Rahul Garg (DIN No. 00282127) expressed his inability to continue on the Board as a Director due to some personal occupation. The resignation was effective from 08.07.2019.

Late Sh. Mahesh Chandra Saxena ceased from the directorship of the Company due to his sad demise on 08.05.2019.

**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 31.03.2019, 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 31.03.2019 and of the profit or loss of the company for the year ended 31.03.2019.
- 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, 2019 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. Manoj& Associates, Chartered Accountants (Firm Registration No. 012867N), be appointed as statutory auditors of the Company to hold office from the conclusion of 25<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company and offer them for re-appointment. Certificate received from the Auditors has been received to the effect that their ratification, if made, would be within the limits prescribed under the Companies Act.

## **23. AUDITORS' REPORT**

The Auditor's Report on the Annual Accounts of the Company for the Year ended March 31, 2019 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 of your Company has appointed Internal Auditors 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 2019-20.

## **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 2018-19, all the directors and employee had full access to approach the vigil mechanism officer. No complaint was received during the year 2017-18 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 2018-19.

## **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: 31.08.2019**  
**Place: Kurukshetra (Haryana)**

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

**Form No. MR-3**

**For the Financial Year ended 31<sup>st</sup> March, 2019**

[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 **31<sup>st</sup> March 2019** 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 2019** 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, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the audit period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008; **(Not applicable to the Company during the audit period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998; (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.

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: 31.08.2019**  
**Place: Delhi**

**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: 31.08.2019**  
**Place: Delhi**

**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, 2019**

[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	630300	-	630300	11.88	630300	-	630300	11.88	-
5. Financial Institution / Banks	-	-	-	-	-	-	-	-	-
6. Any other (specify)	-	-	-	-	-	-	-	-	-

**KMG MILK FOOD LIMITED**  
**27<sup>th</sup> ANNUAL REPORT 2018-2019**

Sub-Total (A)(1)	3466735	-	3466735	65.35	3466735	-	3466735	65.35	-
(2) Foreign									
a) Individual /Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institution / Banks	-	-	-	-	-	-	-	-	-
e) Any other (specify)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	3466735	-	3466735	65.35	3466735	-	3466735	65.35	-
<b>B.Public Shareholding</b>									
1. Institutions	-	38200	38200	0.72	-	-	-	-	0.72
a) Mutual Funds/UTI									
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)	-	250000	250000	4.71	-	328500	328500	6.19	1.48
Sub - Total (B)(1)		288200	288200	5.43	-	328500	328500	6.19	1.48
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	83800	34700	118500	2.23	75300	34700	110000	2.07	0.16
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto Rs.2 lakh	68400	654015	722415	13.62	83800	648215	732015	13.80	0.18
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.2 lakh	53200	651050	704250	13.28	53200	610550	663750	12.51	0.77
c) Any Other (specify)									
- HUF	3700	-	3700	0.07	3200	-	3200	0.06	0.01
NRIs	-	-	-	-	-	-	-	-	-
• Clearing Members (in Transit Position)	800	-	800	0.02	400	-	400	0.01	0.01
Sub - Total (B)(2)	209900	1339765	1549665	29.21	215900	1293465	1509365	28.45	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	209900	1627965	1837865	34.65	215900	1621965	1837865	34.65	-
C.Shares hold by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3676635</b>	<b>1627965</b>	<b>5304600</b>	<b>100</b>	<b>3682635</b>	<b>1621965</b>	<b>5304600</b>	<b>100</b>	<b>-</b>

(ii) 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	% of Shares	No. of Shares	% of total	% of Shares Pledged /	% change



**KMG MILK FOOD LIMITED**  
**27<sup>th</sup> ANNUAL REPORT 2018-2019**

			Shares of the Company	Pledged / encumbered to total shares		Shares of the Company	encumbered to total shares	in share holding during the year
1.	Mr. Rahul Garg	279600	5.27%	0	279600	5.27%	0	-
2.	Mr. Basudev Garg	1082656	20.41%	0	1082656	20.41%	0	-
3.	Mrs. Shivangi Garg	352450	6.64%	0	352450	6.64%	0	-
4.	Mrs. Mithlesh Garg	1121729	21.15%	0	1121729	21.15%	0	-
5.	M/s KMG International Ltd.	630300	11.88%	0	630300	11.89%	0	-

(iii) 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.

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

Sl. No.	For each of the Top 10 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	ADBANTAGE ADVISER INDIA FUND INC	250000	4.71%	250000	4.71%
2	STOCK HOLDING CORPORATION	78500	1.48%	78500	1.48%
3	TULA FINANCE LTD	59600	1.12%	59600	1.12%
4	ARUN KUMAR GUPTA	53200	1.00%	53200	1.00%
5	BABITA GUPTA	75000	1.41%	75000	1.41%
6	SANDEEP GUPTA	191550	3.61%	191550	3.61%
7	SANDEEP GUPTA	70000	1.32%	70000	1.32%
8	SANJAY GUPTA	81500	1.54%	81500	1.54%
9	SHAKUNTLA MEHTANI	28200	0.53%	28200	0.53%
10	B B SAHNY	27600	0.52%	27600	0.52%

(v) 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
1.	Mr. Basudev Garg				

	<b>(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):	-	-	-	-
	At the End of the year	1082656	20.41%	1082656	20.41%
<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):	-	-	-	-
	At the End of the year	1121729	21.15%	1121729	21.15%
<b>3.</b>	<b>Mr. Bharat Bhushan Raina (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. Mahesh Chandra Saxena (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>5.</b>	<b>Mr. MannapraSundaraiyerVenkateswaran (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>6.</b>	<b>Mr. Rahul Garg (Director)</b>				
	At the beginning of the year	279600	5.27%	279600	5.27%
	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	279600	5.27%	279600	5.27%

#### IV. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	-	30,21,304	-	30,21,304
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (I + II + III)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	1,09,54,307	-	1,09,54,307
• Reduction	-	-	-	-
Net Change	-	1,09,54,307	-	1,09,54,307
Indebtedness at the end of the financial year				
I) Principal Amount	-	1,39,75,611	-	1,39,75,611
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	15,00,000	15,00,000
	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)	15,00,000	15,00,000
	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	Name of Directors					Total Amount
		Mr. B.B. Raina	Mrs. Mithlesh Garg	Mr. Mahesh Chandra Saxena	Mr. M. S. Venkateswaran	Mr. Rahul Garg	
1.	<ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		3,00,000	9,00,000	-	-	-	12,00,000
	<b>Total (B)</b>	<b>3,00,000</b>	<b>9,00,000</b>	-	-	-	-
<b>Total Managerial Remuneration</b>							<b>12,00,000</b>
<b>Overall ceiling as per the Act</b>			As Per Section 197 & Schedule V of the Companies Act, 2013				

**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			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,40,000	1,80,000	4,20,000
	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	-	-	-
	<b>Total (C)</b>	<b>2,40,000</b>	<b>1,80,000</b>	<b>4,20,000</b>

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

<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty/Punishment/Compounding fees imposed</b>	<b>Authority [RD / NCLT / COURT]</b>	<b>Appeal made, if any (give details)</b>
<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 2019, the Board of Directors comprises of Six members viz. Mr. Basudev Garg, Mr. Rahul Garg, Mr. MannapraSundaraiyerVenkateswaran, Mr. Bharat Bhushan Raina, Mr. Mahesh Chandra Saxena and Mrs. Mithlesh Garg.

None of the Directors of the Company except the Chairman & Managing Director and 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 2019, the board comprises Six members, comprising of two Executive and two Non-Executive Independent Directors and two 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.

<b>Name</b>	<b>Category</b>
Mr. Basudev Garg	Chairman & Whole Time Director
Mrs. Mithlesh Garg	Women and Non-Executive Director
Mr. Bharat Bhushan Raina	Director
Mr. MannapraSundaraiyerVenkateswaran	Independent Director
Mr. Mahesh Chandra Saxena	Independent Director
Mr. Rahul Garg	Non-Executive 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 Meeting

During the financial year ended March 31, 2019, 5 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
04.05.2018	5	5
28.05.2018	5	5
14.08.2018	5	5
14.11.2018	6	6
14.02.2019	6	6

### 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	5	Yes	1	--	--
Smt. Mithlesh Garg	5	Yes	1	--	--
Shri B. B. Raina	5	Yes	--	--	--
Shri Mahesh Chandra Saxena	5	Yes	2	--	--
Shri M.S. Venkatswaran	5	Yes	1	--	--
Shri Rahul Garg	2	No	--	--	--

### **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 31.03.2019 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

#### **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, 2019, the composition of Audit Committee was as under:

Name of the Member	Designation
Mr. Mahesh Chandra Saxena	Chairman
Mr. M.S. Venkateswaran	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:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of Judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- 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 28.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. The attendance of each Committee members is as under:

<b>Name of Member</b>	<b>No. of meetings held</b>	<b>Meetings Attended</b>
Shri Mahesh Chandra Saxena (Chairman)	4	4
Shri M.S. Venkateswaran (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 act as the Secretary to the Committee.

**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 overseas 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, 2019, the composition of **Stakeholders’ Relationship** Committee was as under:

<b>Name of the Member</b>	<b>Designation</b>
Mr. Mahesh Chandra Saxena	Chairman
Mr. M.S. Venkateswaran	Member
Mr. Basudev Garg	Member

During the year, the Stakeholders’ relationship Committee had met on 28.05.2018 and 14.08.2018.

No complaints received and resolved during the year under review and there are no outstanding complaints as on 31.03.2019. 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.

**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, 2019, the composition of Nomination and Remuneration Committee was as under:

Name of the Member	Designation
Mr. Mahesh Chandra Saxena	Chairman
Mr. M.S. Venkateswaran	Member
Mrs. Mithlesh Garg	Member

During the year, the Nomination and Remuneration Committee Meeting had met two times on 28.05.2018 and 14.08.2018. 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

Nature of Meeting	Date and Time	Venue	Special Resolution passed
24 <sup>th</sup> Annual General Meeting	30 <sup>th</sup> September 2016 at 1.00 P.M.	9 <sup>th</sup> Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana	None
25 <sup>th</sup> Annual General Meeting	23 <sup>rd</sup> September 2017 at 1.00 P.M.	9 <sup>th</sup> Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana	None
26 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September 2018 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 E 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.medicamen.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. 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, 2018 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 : 28.09.2019 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 2019-20
- 1<sup>st</sup> Quarter ending June 30, 2019 : Declared on 14<sup>th</sup> August 2019
  - 2<sup>nd</sup> Quarter ending September 30, 2019 : Mid of November 2019
  - 3<sup>rd</sup> Quarter ending December 31, 2019 : Mid of February 2020
  - Annual Result for the year ended March 31, 2020 : End of May 2020
- c) Date of Book Closure/Record Date : 21.09.2019 to 28.09.2019  
(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, 2018	24.30	24.30	900
May, 2018	NIL	NIL	NIL
June, 2018	NIL	NIL	NIL
July, 2018	25.30	25.30	100
August, 2018	25.25	25.25	5100
September, 2018	24.50	24.50	1000
October, 2018	NIL	NIL	NIL
November, 2018	NIL	NIL	NIL
December, 2018	NIL	NIL	NIL
January, 2019	NIL	NIL	NIL
February, 2019	NIL	NIL	NIL
March, 2019	NIL	NIL	NIL

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 69.42% of total equity share capital is held in dematerialized form up to 31.03.2019 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 2019:

	Category	No. of shares held	Percentage of Shareholding
A.	Shareholding of Promoter and Promoter Group		
(1)	Indian	34,66,735	65.35
(2)	Foreign	--	--
	Total	34,66,735	65.35
B.	Public Shareholding		
(1)	Institutions	--	--
(a)	Mutual Funds/UTI	--	--
(b)	Financial Institutions/Banks	--	--
(c)	Foreign Institutional Investors	--	--
(d)	Any Other	3,28,500	6.19
	Sub Total	3,28,500	6.19
(2)	Non Institutions		
(a)	Bodies Corporate	--	--
(b)	Individuals	13,95,765	26.31
(c)	Any Other	1,13,600	2.14
(d)	NRI	--	--
	Sub Total	15,09,365	28.45
	Total	18,37,865	34.64
	Grand Total	5,304,600	100.00

P) Distribution of Shareholding as on 31.03.2019

S.No.	Category (Shares)	Holders	% of Total Holders	Shares	% of Total Shares
1.	Up to 500	1045	77.75	2417100	4.56
2.	501-1,000	140	10.42	1135050	2.14
3.	1,001-2,000	82	6.1	1289000	2.43
4.	2,001-3,000	22	1.64	557000	1.05
5.	3,001-4,000	6	0.45	217000	0.41
6.	4,001-5,000	11	0.82	531000	1
7.	5,001-10,000	15	1.12	1278000	2.41
8.	10,001 & Above	23	1.71	45621850	86

**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: 31.08.2019**

**Place: Haryana (Kurukshestra)**

**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, 2019.

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

Date: 31.08.2019

Place: Haryana (Kurukshestra)



**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE  
CONDITION OF CORPORATE GOVERNANCE FOR THE YEAR ENDED ON MARCH,  
31ST 2019 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 31.03.2019 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 mention 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: 31.08.2019  
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, 2019:-

- a) We have reviewed the financial statements and cash flow statement for the year ended on 31<sup>st</sup> March, 2019 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, 2019 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: 31.08.2019

Place: Haryana (Kurukshetra)

## **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 31.03.2019.

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 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 2019 over 2018.

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. 49.60/- lacs in 2017-18 to Rs. 82.08/- lacs in current year. Your company has suffered a loss of Rs. 141.55 as compared to loss of Rs. 160.27 /- 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.

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**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, 2019, 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, 2019, the profit and total comprehensive income, Cash Flow Statement, 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 except that the company is incurring losses during the year due to results of which the Net worth of the company is falling down as shown in the financial statement of the company.

**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, 2016 ("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 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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 + 1,23,671/- Delhi.
- c) In the matter of Company v/s Shree Ganesh Trading Co. Kurukshetra, Kurukshetra Court for Rs. 1,28,693/- plus Interest
- d) In the matter of Company vs. BaldevBhui 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.
- 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)**  
Proprietor  
M. No. 091989

Place: Delhi  
Date: 25.05.2019

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

Referred to Independent Auditors’ Report to the members of the Company on the Ind AS Ind AS financial statements of the Company for the year ended March 31, 2019, we report that:

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
  
(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals.  
  
(b) There are no discrepancies noticed on physical verification of the inventory as compared to books records.
- 3) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3 (iii) (a) and (c) of the order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed 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.
- 7) (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, 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, 2019 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.

**STATEMENT OF DUES**

<b>Name of the Statute</b>	<b>Nature of the dues</b>	<b>Amount (In Rs.)</b>	<b>Date</b>	<b>Forum where dispute is Pending</b>
Haryana Livestock Development Board	Milk Cess	15,084,375 /-	07/09/2012	Supreme Court

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, 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 Ind AS financial statements as required by the applicable accounting standards. (refer note no. 26 of the financial statement)

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) 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) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Manoj& Associates**

Chartered Accountants

FRN: 012867N

**(Manoj Kumar Jain)**

Proprietor

M. No. 091989

Place: Delhi

Date: 25.05.2019

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**“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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2019, 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: 25.05.2019

<b>KMG MILK FOOD LIMITED</b>				
<b>BALANCE SHEET AS AT 31 MARCH 2019</b>				
<b>(Amount in Rs.)</b>				
		<b>Note No</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
	<b>Assets</b>			
1	<b>Non-current assets</b>			
	Property, plant and equipment	1	25720313.00	28585114.00
(a)	Capital work - in - progress			
(b)	Goodwill			
(c)	Other intangible assets			
(d)	<b>Financial Assets</b>			
(e)	Investments	2	33000.00	33000.00
(ii)	Trade Receivable	3	-	-
(iii)	Loans			
(iv)	Bank Balances			
(v)	Others			
(f)	Other non - current assets	4	3159710.00	3159710.00
(g)	Deferred tax assets (net)			
2	<b>Current assets</b>			
(a)	Inventories	5	1761804.00	2,007,067.00
(b)	<b>Financial assets</b>			
(i)	Investments			
(ii)	Trade Receivable	6	2784436.00	2234361.00
(iii)	Cash and Cash equivalent	7	48644.00	303778.00
(iv)	Loans	8	1555130.00	1461637.00
(v)	Bank Balances			
(vi)	Others			
(c)	Current tax assets (net)			
(d)	Other current assets	9	1527891.00	1915078.00
	<b>Total Assets</b>		<b>36590928.00</b>	<b>39699745.00</b>
	<b>Equity and Liabilities</b>			
1	<b>Equity</b>			
(a)	Equity share capital	10	53046000	53046000
(b)	Other Equity	11	-51638495	-37483991
	Total Equity		1407505	15562009
2	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
(a)	Financial liabilities		-	-
(i)	Borrowings		-	-
(ii)	Trade Payable		-	-
(iii)	Other Financial liabilities		-	-
(b)	Deferred Revenue/Income		-	-

(c)	Deferred tax liabilities (net)	12	2712085.00	3471515.00
(d)	Other non-current liabilities		-	-
			2712085.00	3,471,515.00
	<b>Current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	13	13975611.00	3021304.00
(ii)	Trade Payable	14	651570.00	1623618.00
(iii)	Other Financial liabilities	15	17844157.00	16021299.00
(b)	Other current liabilities			
(c)	Provisions	16	-	-
	Total Liabilities		35183423.00	24,137,736.00
	<b>Total equity and liabilities</b>		<b>36590928.00</b>	<b>39,699,745.00</b>

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

This is the balance sheet referred to in our report of even date

**For Manoj & Associates**  
Chartered Accountants

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

Manoj Kumar Jain  
Prop

Sd/-  
**B.B Raina**  
Director

Sd/-  
**Basudev Garg**  
Chairman & Whole  
time director

Sd/-  
**Pardeep Gupta**  
CFO

M.No 091989  
FRN 012867N

DIN-02154557

DIN-00282038

PAN-AKWPG5616L

Place: Delhi  
Dated:25.05.2019

Sd/-  
**Preeti Varshney**  
Company Secretary  
ACS-A36841



<b>KMG MILK FOOD LIMITED</b>					
<b>Statement of Profit and Loss for the year ended 31st March, 2019</b>					
<b>(Amount in Rs.)</b>					
Particulars			Note No	Current Year	Previous Year
A		<b>Continuing operations</b>			
		<b>Income</b>			
	1	Revenue from operations	17	8207860.00	4960411.00
	2	Other income	18	177831.00	452955.00
	3	<b>Total revenue (I)</b>		8385691.00	5413366.00
	4	<b>Expenses</b>			
		Cost of Material Consumed	19	8196244.00	4127476.00
		Changes in inventories of finished goods	20	199705.00	(1479616.00)
		Employee benefits expense	21	4487466.00	4268316.00
		Finance Cost	22	1302974.00	60164.00
		Other expenses	23	6153473.00	9240544.00
		<b>Total Expenses (II)</b>		20339862.00	16216884.00
		<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		-11954171.00	-10803518.00
	5	Depreciation and amortization expense	24	2959763.00	4436435.00
	6	<b>Profit/(loss) before extraordinary items and tax</b>		-14913934.00	-15239953.00
		<b>Extraordinary items</b>		-	-
	7	<b>Profit/(loss) before tax</b>		-14913934.00	-15239953.00
	8	<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>		(759430).00	786683.00
		Deferred tax		(759430).00	786683.00
	10	<b>Total Tax expense</b>		(759430).00	786683.00
		<b>Profit/(loss) for the year</b>		(14154504.00)	(16026636.00)
		Minority shareholders interest-loss/(profit)		-	-
		Share in loss of associates		-	-
	11	<b>Profit/ (Loss) for the year from continuing operations (A)</b>		-14154504.00	-16026636.00
B		<b>Discontinuing operations</b>			
		Profit/(loss) before tax from discontinuing operations		-	-
		Tax expense of discontinuing operations		-	-

C	12	<b>Profit/(loss) after tax from discontinuing operations (B)</b> <b>Profit/(loss) for the year (A+B)</b>		-	-
	13		Other comprehensive income Items that will not be reclassified to profit or loss (i) Income tax relating to items that will not be reclassified to profit or loss (ii) Items that will be reclassified to profit or loss (iii) Income tax relating to items that will be reclassified to profit or loss (iv) Total comprehensive income for the period (XIII + XIV)		-14154504.00
D	14	Total comprehensive income for the period (XIII + XIV)		-14154504.00	-16026636.00
		Earnings per share	25	(2.67)	(3.02)
		Basic Diluted		(2.67) (2.67)	(3.02) (3.02)
<b>The accompanying notes are an integral part of the financial statements</b>					
This is the Statement of Profit & Loss in our report of even date					
<b>For Manoj&amp; Associates</b> Chartered Accountants			For and on behalf of Board of Directors <b>For KMG Milk Food Limited</b>		
Manoj Kumar Jain Prop  M.No 091989 FRN 012867N  Place: Delhi Dated: 25.05.2019	Sd/- <b>B.B Raina</b>  Director  DIN-02154557	Sd/- <b>Basudev Garg</b>  Chairman & Whole time director  DIN-00282038	Sd/- <b>Pradeep Gupta</b>  CFO  PAN- AKWPG5616L		
		Sd/- Preeti Varshney Company Secretary ACS-A36841			

<b>KMG MILK FOOD LIMITED</b>			
Cash Flow Statement			
For the year ending 31st March,2019 (Amount in Rs )			
	Particulars	Current Year	Previous Year
A	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit/(Loss) before Tax	(14154504)	(16026636)
	<u>Add/(Deduct)</u>		
	1 Depreciation on Fixed Assets	2959763	4436435
	2 Increase(Decrease) in Deferred Tax Liabilities	-759430	786683
	3 Interest Income	-177831	-212028
	Operating Cash Profit before Working Capital Changes	(12132002)	(11015546)
	<u>Add/(Deduct)</u>		
	1 Increase(Decrease) in Creditors & other Payables	850810	1,022,548
	2 (Increase)Decrease in Current Assets	632450	1536462
	3 (Increase)Decrease in Trade Receivables	-550075	1503684
	4 (Increase)Decrease in Short Term Loans and Advances	-93493	0
	Cash flow from Operations	-11292310	(13025776)
	Net Cash flow from Operating Activities	(11292310)	(13025776)
	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
B	1 Capital Received	-	-
	2 Purchase of Fixed Assets	-94962	-403353
	3 Interest Received	177831	212028
	4 Increase (Decrease) in Long Term Loan & Advances	-	-3500
	Net Cash flow from Investing Activities	82869	-194825
C	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	<u>Add/(Deduct)</u>		
	1 Increase (Decrease) in Long Term Loan & Advances	1095307	3021304
	2 Increase (Decrease) in Other Long Term Liabilities	-	-
	Net Cash flow from Financing Activities	1095307	3021304
	Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	(255134)	(10199297)
	Add: Balance at the beginning of the year	30778	10503075
	Cash and Cash Equivalents at the close of the year	48644	303778
<b>For Manoj &amp; Associates</b> Chartered Accountants		For and on behalf of Board of Directors <b>For KMG Milk Food Limited</b>	
Manoj Kumar Jain Prop	Sd/- <b>B.B Raina</b> Director	Sd/- <b>Basudev Garg</b> Chairman & Whole time director	Sd/- <b>Pradeep Gupta</b> CFO
M.No 091989 FRN 012867N	DIN-02154557	DIN-00282038	PAN- AKWPG5616L
Place: Delhi Dated: 25.05.2019		Sd/- <b>Preeti Varshney</b> Company Secretary ACS-A36841	

**KMG MILK FOOD LIMITED**

**Notes to financial statements for the year ended 31 March 2019**

**Note -1: Property, plant and equipment**

-	Freehold land and Buildings	Plant and Equipment s	Furniture & Fixture	Vehicles	Total
Cost or Valuation <b>At 1 April, 2017</b>	30962712	93919926	334081	10671074	135887793
Addition	263250	140103	0	0	403353
Disposals	0	0	0	0	0
<b>At 31st March, 2018</b>	31225962	94060029	334081	10671074	136291146
Addition	0	94962	0	0	94962
Disposals	0	0	0	0	0
	<b>31225962</b>	<b>94154991</b>	<b>334081</b>	<b>10671074</b>	<b>136386108</b>
Depreciation and Impairment					0
<b>At 1 April, 2017</b>	16942369	80749285	291877	5286066	103269597
Depreciation Charge for the year	561115	2223899	10926	1640495	4436435
<b>At 31st March, 2018</b>	17503484	82973184	302803	6926561	107706032
Depreciation Charge for the year	546083	1277413	8098	1128169	2959763
<b>At 31st March, 2019</b>	<b>18049567</b>	<b>84250597</b>	<b>310901</b>	<b>8054730</b>	<b>110665795</b>
Net Book Value					0
at 31st March,2019	13176395	9904394	23180	2616344	25720313
at 31st March,2018	13722478	11086845	31278	3744513	28585114
at 31st March,2017	14020343	13170641	42204	5385008	32618196

Note: (1) All the assets including factory building has been given on lease for one or two months during the year.

<b>For Associates</b>	<b>Manoj&amp; Associates</b>	<b>For Manoj&amp; Associates</b>	For and on behalf of Board of Directors		
Chartered Accountants	Chartered Accountants	Chartered Accountants	<b>For KMG Milk Food Limited</b>		
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
Manoj Kumar Jain Prop	Manoj Kumar Jain Prop	<b>B.B Raina</b> Director	<b>Basudev Garg</b> Chairman & Whole time director	<b>Pradeep Gupta</b> CFO	
M.No 091989 FRN 012867N	M.No 091989 FRN 012867N	DIN-02154557	DIN-00282038	PAN-AKWPG5616L	
Place: Delhi Dated:25.05.2019	Place: Delhi Dated:		<b>Sd/-</b> Preeti Varshney Company Secretary ACS-A36841		

(Amount in Rupees)

**Note-2: Investment**

S.No	Particulars	31 March 2019	31 March 2018
1	Government Securities (NSE) <b>Note: Deposit with Sale Tax department as security.</b>	33,000	33,000
	Total	33,000	33,000

**Note-3: Trade Receivables**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2018
	Unsecured, considered good		
1	- Bapna Trading Co, Kankroli	-	88,756
2	- Fair Deal Agencies	-	34,075
3	- Goldline Milk Food Pvt ltd	-	659,262
4	- Right Choice	-	715,000
5	- Right Choice, Jodhpur	-	6,591
	<b>Total Trade Receivables</b>	-	<b>1,503,684</b>
	<b>Less impairment of Trade receivable ( Note 14)</b>	-	<b>1,503,684</b>
	<b>Total Trade Receivables</b>	-	-

**Note-4: Other Non Current Assets**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2018
	<b>Security deposits</b>		
(a)	Hseb	3,156,210	3,156,210
(b)	Barcode	3,000	3,000
(c)	Telephone	500	500
	Total	3,159,710	3,159,710

**Note-5: Inventories**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2018
	Raw Material (at Cost)	481893	527451
	Finished Goods ( at lower of cost and net realisable value	1279911	1479616
	<b>Total inventories at the lower of cost and net realisable value</b>	<b>1761804</b>	<b>2007067</b>

**Note-6: Trade Receivable**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2018
	Unsecured, considered good		
	Outstanding exceeding six months	654436	
	Trade receivables	2130000	2234361
	<b>Total Trade receivables</b>	<b>2784436</b>	<b>2234361</b>
<p><b>No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Not any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a membeTrade receivables are non-interest bearing and are generally on terms of 30 to 90 days.</b></p>			

**Note-7: Cash and cash equivalent**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2018
1	<b>Balances with banks:</b>		
	On current accounts	43402	300625
2	<b>Cash on hand</b>	5242	3153
	<b>Total</b>	<b>48644</b>	<b>303778</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

**Note-8: Loans (Secured considered good unless otherwise stated)**

S. No	Particulars	31 March 2019	31 March 2018
1	Loan to related Party	-	-
2	Loan to directors	-	-
3	<b>Other Loans:</b>		
4	VAT- Haryana	-	-
	GST	1491212	1260165
5	Advocate	-	-
6	Advance to Parties	63918	201472
	<b>Total loans</b>	<b>1555130</b>	<b>1461637</b>
	Current	1555130	1461637
	Non-Current	-	-
	<b>Total loans</b>	<b>1555130</b>	<b>1461637</b>

**Note-9: Other Current Assets**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2018
1	TDS Receivable	1342375	1342375
	Staff Advance	50000	
2	Prepaid expenses	135516	572703
	<b>Total</b>	<b>1527891</b>	<b>1915078</b>

(Amount in Rupees)

**Note-10: Share Capital**

(a)	Authorised, Issued, Subscribed and paid-up share capital	31 March 2019	31 March 2018
1	<b>Authorized shares capital</b> 60,00,000 (Previous Year 60,00,000) equity shares of Rs.10/- each	60,000,000	60,000,000
2	<b>Issued, subscribed and paid-up capital</b> 53,04,600 (Previous Year 5304600) equity shares of Rs.10/- each	53,046,000	53,046,000
	<b>Total</b>	<b>53,046,000</b>	<b>53,046,000</b>

**(b) Rights / preferences / restrictions attached to equity shares**

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

**(c) Details of share held within the group**

S. No	Name of Shareholder	31 March 2019	31 March 2018
1	Out of the equity shares issued by the company, shares held by its associates company is as below: <b>Equity shares of Rs. 10 each fully paid up</b> M/S KMG International Ltd	630300	630300

**(d) Details of shareholders holding more than 5% shares in the company**

S. No	Name of Shareholder	31 March 2019	31 March 2018
1	<b>Equity shares of Rs. 10 each fully paid up</b> SmtMithlesh Garg -No. of Shares -% held	1121729 21.15%	1121729 21.15%
2	Shri Basudev Garg -No. of Shares -% held	1082656 20.41%	1082656 20.41%
3	Smt Shivangi Garg -No. of Shares -% held	352450 6.64%	352450 6.64%
4	Shri Rahul Garg -No. of Shares -% held	279600 5.27%	279600 5.27%
5	M/S KMG International Ltd -No. of Shares -% held	630300 11.88%	630300 11.88%

Notes:-

As per the records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Note-11: Other Equity**

**(Amount in Rupees)**

S.No	Particulars	31 March 2019	31 March 2018
1	Retained earning Opening Balance Addition during the period	-37483991 -14154504	-21,457,355 -16,026,636
	<b>Total</b>	<b>-51638495</b>	<b>-37,483,991</b>

Notes:-

**Debit balance of statement of profit and loss shall be shown 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.**

**Note-12 : Deferred Tax Liabilities (Net)**

**(Amount in Rupees)**

S.No	Particulars	31 March 2019	31 March 2018
	<b>Deferred tax liability arising on account of:</b>		
1	Employee benefits	-	-
2	Depreciation	-759430	786683
3	Opening Balance	3471515	2684832
4	Less: Deferred Tax Assets	-	-
	<b>Deferred tax liability (Net)</b>	<b>2712085</b>	<b>3471515</b>

**Note-13: Borrowings**

S.No	Particulars	31 March 2019	31 March 2018
1	<b>Loan repayable on demand</b> Unsecured Loan from Directors	13975611	3021304
	<b>Total</b>	<b>13975611</b>	<b>3021304</b>

**Note: Unsecured loan from Smt Kamlesh Garg, director of the company. The loan is repayable on demand. Interest @ 12% on loan payable.**

**Note-14 : Trade Payable**

S.No	Particulars	31 March 2019	31 March 2018
1	Trade payable	651570	1623618
2	Trade payable to related parties	-	-
	<b>Total</b>	<b>651570</b>	<b>1623618</b>

Terms and conditions of the above financial liabilities:

- (a) Trade payables are non-interest bearing and are normally settled on 60-day terms
- (b) Interest payable is normally settled quarterly throughout the financial year
- (c) No interest is paid / payable during the year to any enterprise registered under the MSME.
- (d) 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.

**Note-15: Other financial Liabilities**

S.No	Particulars	31 March 2019	31 March 2018
	Expenses Payable	644959	796206
	Received from Directors	853454	50,000
	Shree Ganesh ji Maharaj	253	253
	Post Dated Cheques	1209600	0
	Statutory Remittance	15135891	15174840
	<b>Total financial liabilities</b>	<b>17844157</b>	<b>16021299</b>
	<b>Total current</b>	16021299	15368952
	<b>Total non-current</b>	-	-

Note:-



**Note:16 Provisions**

	Particulars	31 March 2019	31 March 2018
1	<b>Provision for employee benefits</b>		
	Provision for gratuity	-	-
	<b>Total</b>	-	-
	Total current	-	111,923.00
	Total non-current	-	-

Statutory Remittance includes Rs 1,50,84,375/- for outstanding of milk cess against the supreme court order dated 07-09-2012

**Note-17: Revenue from operations**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	<b>Revenue from operations</b>		
	Sale of products		
	Export	-	-
	Domestic		
	Sale	8207860	2,773,971
	Equipment Rental	-	2,186,440
	Consumable Stores	-	-
	Processing Charges	-	-
		8207860	4,960,411
2	Other operating revenues	-	-
	<b>Revenue from operations (Gross)</b>	8207860	<b>4,960,411</b>
	Less : Excise duty	-	-
	<b>Revenue from operations (Net)</b>	8207860	<b>4,960,411</b>

**Note-18: Other income**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Sundry Balance written Off	-	211,147
2	Insurance Claim	-	26,430
3	Sale of Scrap	-	3,350
4	Interest	177831	212,028
	<b>Total</b>	177831	452,955

**Note-19: Cost of Material Consumed**

(Amount in Rupees)

S. No.	Particulars	Current Year	Previous Year
1	Opening Stock	527451	-
2	Add Purchase including Packing Materials	8150686	4,654,927
	<b>Total</b>	8678137	4,654,927
	Less: Closing Stock	481893	527,451
	<b>Total</b>	8196244	4,127,476

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

(Amount in Rupees)

**KMG MILK FOOD LIMITED**  
**27<sup>th</sup> ANNUAL REPORT 2018-2019**

S.No	Particulars	Current Year	Previous Year
1	Opening Stock	1479616	-
2	Less: Closing Stock	1279911	1,479,616
	<b>Total</b>	<b>199705</b>	<b>(1,479,616)</b>

**Note-21: Employee benefit expense**

(Amount in Rupees)

S. No	Particulars	Current Year	Previous Year
1	Salaries, wages and bonus	4397888	4163292
2	Contribution to provident fund and other funds	46215	60887
3	ESI	38752	29464
4	Staff welfare expenses	4611	14673
	<b>Total</b>	<b>4487466</b>	<b>4268316</b>

**Note 22**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Interest on loan	1302974	60164
	<b>Total</b>	<b>1302974</b>	<b>60164</b>

Note: Interest Paid/payable on unsecured loan received from the Director, SmtMithlesh Garg

**Note-23: Other expenses**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Cess	-	3,753
2	Freight Inward	1150	2,050
3	Weight	15520	-
4	Store-HSD	-	-
5	Store-Hush & Charcoal	64891	18,990
6	Store Lab	2000	15,236
7	Selling & Distribution Expenses	152297	155,464
8	Distribution, advertising and business promotion	115450	50,058
9	Repairs and maintenance - Building	34388	18,585
10	Repairs and maintenance - Machinery	29371	262,357
11	Repairs and maintenance - Others	14711	85,639
12	Insurance	817147	315,869
13	Miscellaneous expenses	7190	95,772
14	Legal and professional expenses	506751	596,560
15	Donation & Charity	-	1,100
16	Office Expenses	311571	196,881
17	Office Rent	-	225,000
18	AGM Expenses	25000	5,900
19	Stock Exchange Expenses	277353	314,212
20	Power and Fuel Expenses	1904547	2,136,158
21	Postage Expenses	26331	26,868
22	Meeting Fees	-	-
23	Travelling and conveyance	108462	211,945
24	Festival Expenses	460	73,760
25	Fees & Taxes	129918	301,464
26	Communication costs	104756	174,645
27	Vehicle Maintenance Expenses	519321	504,580
28	Sundry balance written off	816379	-

**KMG MILK FOOD LIMITED**  
**27<sup>th</sup> ANNUAL REPORT 2018-2019**

29	Printing and stationery	50,015	50,015
30	Penalty	15317	4,850
31	GSTon URD	1850	1,040
32	Interest on TDS	-	2,211
33	Income tax	-	1,756,770
34	Impairment of trade receivable	-	1,503,684
34	Payment to auditor ( Audit and other expenses)	101800	129,128
	<b>Total</b>	<b>6153473</b>	<b>9,240,544</b>

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

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Depreciation of tangible assets	2959763	4,436,435
	<b>Total</b>	2959763	4,436,435

**Note-25: Earning per share**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	<b>Net profit attributable to equity shareholders</b>		
	Profit after tax	(14154504)	(16,026,636)
2	Nominal value of equity share (₹)	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
6	<b>Basic/ diluted earning per share (₹)</b>	(2.67)	(3.02)

**Note-26: Related Party Disclosures**

(Amount in Rupees)

S.No	Particulars of transactions with related party	Current Year	Previous Year
A	The following is a summary of significant related party transaction		
	<b>Director and relative of the director of the company</b>		
1	Smt.Mithlesh Garg ( Nature - Rent )	-	225,000
2	Smt.Mithlesh Garg ( Nature -Unsecured Loan)	12440000	3,000,000
3	Smt.Mithlesh Garg ( Nature -Interest on unsecured loan)	1238947	60,164
4	Mr. Basudev Garg ( Nature –Unsecured Loan)	1470000	-
5	Mr. Basudev Garg ( Nature –Interest on unsecured loan)	64027	-
6	Mr. B.B Raina ( Nature-Salary)	300,000	300,000
7	Mr. Basudev Garg ( Nature - expenses Incurred)	-	50,000
8	Smt.Mithlesh Garg ( Nature -Salary)	900000	675000
9	Mr. Basudev Garg ( Nature - Salary)	1500000	1500000

**Note-27:Lease**

The company has entered into a operating lease on certain building and Plant & Machinery.			
The total future minimum lease rental receivable at the balance sheet date is as under:-			
S.No	Particulars	Current Year	Previous Year
1	For a period not letter than one year	-	2,186,440.00
2	For a period later than one year and not later than five years	-	-

**Note-28:Contigent Liabilities**

1	No provision has been made in the account for doubtful debts and advances. These all are considered by the
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	management as recoverable.
<b>(A)</b>	<b>The pending court cases against and for the company is as under:</b>
<b>1</b>	In the matter of Semen Bank Officer/Haryana Live Stock Development Board, Pehowa, Harayana(Milk Cess) vs. Company of Rs. 71,3164397/- Including Interest of Rs 69,79,07,522/- Note:- However, under the chairmanship of Hon'ble Chief Minister, Government of Haryana held at Chandigarh on dated 04.04.2018, it has been decided that the issue of waiving of the areas of milk cess will be delinked. A communicate in this regard issued by Finance Department of Government of Haryana through its circular No. U.O. No. 45/02/2005-5FD-1/10182 Dated 15.06.2018 also certifies the issue. But the final letter is yet to be received from the Finance Department, Government of Haryana.
<b>2</b>	In the matter of Company vs Hitkari Industries Ltd in the Karkadoma Court for Rs.185000 + 123671/- Delhi.
<b>3</b>	Company V/s Shree Ganesh Trading Co. Kurukshetra, Kurukshetra Court for Rs 128693+Interest
<b>(B)</b>	<b>Court cases for recovery u/s 138</b>
<b>1</b>	In the matter of Company vs. BaldevBhui in the Karkadoma Court for Rs.1, 30,000/- Delhi.
<b>2</b>	In the matter of Company vs. Prem Prakash in the Karkadoma Court for Rs.90,000+67,000/- Delhi.

<b>29</b>	Previous year figures are regrouped/rearrange wherever necessary to conform to this year's classification.
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<b>30</b>	Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.
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**For Manoj&Associates**  
Chartered Accountants

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

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

**Sd/-**  
B.B Raina  
Director  
  
DIN-02154557

**Sd/-**  
Basudev Garg  
Chairman & Whole time  
director  
DIN-00282038

**Sd/-**  
Pradeep Kumar  
CFO  
  
PAN-AKWPG5616L

Place:Delhi  
Dated:25.05.2019

**Sd/-**  
Preeti Varshney  
Company Secretary  
ACS-A36841

**KMG MILK FOOD LIMITED**

**Notes to financial statements for the year ended 31 March 2019**

<b>Note-7: Fixed Assets</b>											
					Previous Year						
Particulars	<b>Gross Block</b>				<b>Depreciation/Amortisation</b>				<b>Net Block</b>		
	Balance as at 1st April, 2017	Additi ons	Dispos als	Balance as at 31st March,2 018	Up to 1st April, 2017	For the Year	Dispos als	Up to 31st March,2 018	Balance as at 31st March, 2018	Balance as at 31st March, 2017	
I	Tangible Assets										
1	Land	637,337	-	637,337	-	-	-	-	637,337	637,337	
2	Site Develop ment	1,871,9 60		1,871,96 0	-	-	-	-	1,871,9 60	1,871,9 60	
	Building	25,138, 728		25,138,7 28	172104 94	38610 5	-	1759659 9	754212 9	792823 4	
	Building- Guest House	311111 5	-	3,111,11 5	228068	14040 5		368473	274264 2	288304 7	
	Fence, Wall	466,822	-	466,822	64922	19573		84495	382327	401,900	
4	Plant & Machiner y	934725 05	-	9347250 5	825190 44	12154 24	-	8373446 8	973803 7	10,953, 461	
5	Furniture & Fixture	334,081	-	334,081	302803	8093	-	310901	23180	31,278	
6	Vehicles	10,671, 074	-	10,671,0 74	692656 1	11281 69		8054730	261634 4	3,744,5 13	
7	Office Equipme nts	385,606	-	385,606	364026	2300		366326	19280	21,580	
	CCTV Camera	167690	84370	252060	74935	48938		123873	128187	92,755	
	R.O. Water Purifier	8900	-	8,900	4684	2663		7347	1553	4,216	
	Invertor Battery	11328	-	11,328	3577	4896		8473	2855	7751	
	Televisio n	14,000	10592	24592	6918	3 192		10110	14482	7,082	
		136291	94962	1363861	107706	29597		1106657	257250	285851	

**KMG MILK FOOD LIMITED**  
**27<sup>th</sup> ANNUAL REPORT 2018-2019**

		146		-	08	032	63	-	95	313	14
	Previous Year Total	135887 793	40335 3	-	1362911 46	103269 597	44364 35	-	1074706 032	285851 14	
Note: (1) All the assets including factory building has been given on lease for one or two months during the year.											

**For Manoj&Associates**  
Chartered Accountants

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

**Sd/-**  
Manoj Kumar Jain  
Prop

**Sd/-**  
B.B Raina  
Director  
DIN-02154557

**Sd/-**  
Basudev Garg  
Chairman & Whole time  
director  
DIN-00282038

**Sd/-**  
Pradeep Kumar  
CFO  
PAN-AKWPG5616L

M.No 091989  
FRN 012867N

Place:Delhi  
Dated:25.05.2019

**Sd/-**  
Preeti Varshney  
Company Secretary  
ACS-A36841

**KMG MILK FOOD LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

<b>Sl. No.</b>	<b>Particulars</b>	<b>As at 31.03.2018 (in Rs.)</b>	<b>Change during year 2018-19</b>	<b>As at 31.03.2019 (in Rs.)</b>
<b>1</b>	Authorized Share Capital (Equity Share)	60000000	NIL	60000000
	<b>Total</b>	<b>60000000</b>	<b>NIL</b>	<b>60000000</b>
<b>2</b>	Issued, Subscribed & Fully Paid-up Share Capital	53046000	NIL	53046000
	<b>Total</b>	<b>53046000</b>	<b>NIL</b>	<b>53046000</b>

**For Manoj&Associates**  
Chartered Accountants

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

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

**Sd/-**  
B.B Raina  
Director -  
  
DIN-02154557

**Sd/-**  
Basudev Garg  
Chairman & Whole time  
director  
  
DIN-00282038

**Sd/-**  
Pradeep Kumar  
CFO  
  
PAN-AKWPG5616L

Place:Delhi  
Dated:25.05.2019

**Sd/-**  
Preeti Varshney  
Company Secretary  
ACS-A36841

**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 **27<sup>th</sup> Annual General Meeting** of **KMG Milk Food Limited** held on Saturday, 28<sup>th</sup> September, 2019 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 27th Annual General Meeting of the KMG Milk Food Limited, to be held on Saturday, 28<sup>th</sup>September,2019 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:

Resolution No.		Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2019 and reports of the Board of the Directors and the Auditors thereon.		
2.	Re-appointment of Mr. Bharat Bhushan Raina as director, who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Resolution No.</b>			
<b>Special Business:</b>			
3.	Regularisation of Mr. Ravi Jaisalmeria, (DIN: 03604301) as a Director, who was appointed as an Additional Director.		
4.	Regularisation of Mr. Sanjiv Sharan, (DIN: 07340257)as an Independent Director of the Company who was appointed as an Additional Independent Director		
5.	Regularisation of Mr. Prashant Chandra Pande, (DIN: 0008527342) as an Independent Director of the Company who was appointed as an Additional Independent Director		

Signed this ..... day of ..... 2019.

\_\_\_\_\_  
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 28<sup>th</sup> September, 2019.

<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, 2019 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.

<b>Resolution</b>		<b>Type of Resolution (Ordinary/Special)</b>	<b>I/We assent to the Resolution(For)</b>	<b>I/We dissent to the Resolution(Against)</b>
<b>Ordinary Business</b>				
<b>1.</b>	<b>Adoption of Audited Financial Statements for the financial year ended March 31, 2019 and reports of the Board of the Directors and the Auditors thereon.</b>	<b>Ordinary</b>		
<b>2.</b>	<b>Re-appointment of Mr. Bharat Bhushan Raina as director, who retires by rotation and being eligible, offers himself for re-appointment.</b>	<b>Ordinary</b>		
<b>Special Business</b>				
<b>3.</b>	<b>Regularisation of Mr. Ravi Jaisalmeria, (DIN: 03604301) as a Director, who was appointed as an Additional Director.</b>	<b>Ordinary</b>		
<b>4.</b>	<b>Regularisation of Mr. Sanjiv Sharan, (DIN: 07340257) as an Independent Director of the Company who was appointed as an Additional Independent Director.</b>	<b>Ordinary</b>		
<b>5.</b>	<b>Regularisation of Mr. Prashant Chandra Pande, (DIN: 0008527342) as an Independent Director of the Company who was appointed as an Additional Independent Director.</b>	<b>Ordinary</b>		

**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

