

# **KMG MILK FOOD LIMITED**

## **28<sup>th</sup> ANNUAL REPORT 2019-2020**

### **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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CORPORATE INFORMATION

BOARD OF DIRECTORS

Sh. Basudev Garg	Chairman & Whole Time Director
Smt. Mithlesh Garg	Non- Executive Director
Sh. B. B. Raina	Director
Sh. Sanjiv Sharan	Independent Director
Sh. 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

REGISTRAR & TRANSFER AGENT

M/s. Skyline Financial Services Pvt. Ltd.  
D-153 A, 1<sup>st</sup> floor, Okhla Industrial Area  
Phase-I, New Del8BOwyBBj-e985OHFHFW-101hOyBKK

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of M/s KMG MILK FOOD LIMITED will be held on Wednesday, the day of 30<sup>th</sup> September, 2020 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, 2020 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, 2020, which includes the Balance Sheet as on 31<sup>st</sup> March, 2020, Profit and Loss Account and Cash Flow Statement of the company for the financial year 2019-2020 along with the Directors' Report and Auditors' Report thereon be and is hereby received, considered, approved and adopted.

2. To appoint a Director in place of Mrs. Mithlesh Garg (DIN: 00185942) as Director, who retires by rotation and being eligible, offers himself for re-appointment.

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: 03.09.2020  
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 23.09.2020 to 30.09.2020 (both days inclusive). Cutoff date for purpose of voting right is 23<sup>rd</sup> September, 2020.
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 28<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:
      - 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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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 Demat shareholders 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 27<sup>th</sup> September, 2020(9:00 AM) and ends on 29<sup>th</sup> September, 2020(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 23<sup>rd</sup> September, 2020, 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

Name of the Director	Mrs. Mithlesh Garg	Mr. Basudev Garg
DIN	00185942	00282038
Date of Birth	11.08.1954	05.12.1949
Age	66	70
Date of Appointment	29.09.2014	02.05.2008
Qualification	Graduate	Graduate
Expertise in Specific functional areas	Good amount of experience in Industry on serving as a director on board of various companies.	More than 30 Years experience in Industry on serving as a director on board of various companies.
Directorship held in Other Public Companies as on date	1	1
Committee Positions in KMG Milk Food Limited*	1	2
Committee Positions in Other Public Companies*	NIL	NIL
No of Shares held	1121729	1082656

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

**Annexure to Notice:**

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

As the Term of appointment of Mr. Basudev Garg as Whole-time Director of the Company was expired on 24.05.2020, The Board of Directors have re-appointed Mr. Basudev Garg as the Whole Time Director of the Company, for a further period of five years w.e.f. 25.05.2020 to 24.05.2025.

Shri Basudev Garg have a vast experience of business and have expert knowledge of milk food industry and company expect a good growth in his directorship.

Pursuant to the provisions of Section 196 and 197 read with schedule V of Companies Act, 2013 and subject to such amendments as may be made therein and subject to the approval of the member of the company, Board proposed the re-appoint of Shri Basudev Garg, as the Whole Time Director of the Company, for a further period of five years w.e.f. 25.05.2020 to 24.05.2025.

Further the Board proposed, Subject to the limits contained in Section 197 of the Companies Act, 2013, the remuneration to Shri Basudev Garg will be paid per month comprising of salary, Performance linked bonus, commission on profit and perquisites as may be determined by the Board from time to time.

None of the Directors, Except Mr. Basudev Garg and Mrs. Mithlesh Garg are concerned or interested in this resolution. The Board recommend passing of the resolution as special 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: 03.09.2020

Place: Kurukshetra (Haryana)

## DIRECTORS' REPORT

Dear Member

On behalf of the Board of Directors, hereby present the 28<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, 2020.

### 01. FINANCIAL HIGHLIGHTS

*(Rs. In lacs)*

<i>Particulars</i>	<i>For the Year Ended 31.03.2020</i>	<i>For the Year Ended 31.03.2019</i>
Total Revenue	19.47	82.08
Total Expenditure excluding Depreciation, Amortization Expenses and Financial Charges	108.96	190.38
Depreciation and Amortization Expenses	24.56	29.60
Financial Charges	19.35	13.02
Profit/(Loss) before Extraordinary Item	-120.03	-149.14
Extraordinary Item	-	-
Profit/(Loss) before Tax	-120.03	-149.14
Tax Expenses	1.30	7.59
Net Profit/(Loss) after Tax	-121.33	-141.55

### 02. PERFORMANCE

During the period under report the Company achieved a turnover of Rs. 19.47 lacs as compared to Rs. 82.08 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, 2020 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. Mrs. Mithlesh Garg, (DIN: 00185942) Director of the Company, retires by rotation and being eligible offers herself for reappointment.
2. Re-appointment of Shri Basudev Garg, as the Whole Time Director of the Company, for a further period of five years w.e.f. 25.05.2020 to 24.05.2025.

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

Mr. Rahul Garg, Director expressed his inability to continue on the Board as a Director due to some personal occupation. The resignation was effective from 08.07.2019.

Mr. M S Venkteswaran, Director expressed his inability to continue on the Board as a Director due to some personal occupation. The resignation was effective from 20.09.2019.

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

## 21. SECRETARIAL AUDITORS REPORT

The Secretarial Auditor's Report of the Company for the Year ended March 31, 2020 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, 2020 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.

## 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.

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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

Ky- 98wwOywy5-o9RyOyifhe98RygnWgn 281K wOfD+98BOKyKWBH898-5KOBHw-9FOBBW-m9yBO5wWOW50F0+□t□

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: 03.09.2020  
Place: Kurukshetra (Haryana)



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

**Form No. MR-3**

**For the Financial Year ended 31<sup>st</sup> March, 2020**

[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 2020** 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 2020** 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: 03.09.2020  
Place: Delhi**

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

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**‘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: 03.09.2020  
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, 2020

[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)	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	36400	36400	0.69	0.69	-
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)	-	328500	328500	6.19	-	328500	328500	6.19	-	-
Sub – Total (B)(1)		328500	328500	6.19	-	364900	364900	6.88	0.69	-
(2) Non-Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
i) Indian	75300	34700	110000	2.07	78400	34200	112600	2.12	0.05	-
Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual Shareholders holding Nominal Share Capital upto Rs.2 lakh	83800	648215	732015	13.80	85700	648915	734615	13.85	0.05	-
ii) Individual Shareholders holding nominal Share Capital in excess of Rs.2 lakh	53200	610550	663750	12.51	53200	572550	625750	11.80	-0.71	-
c) Any Other (specify)										
- HUF	3200	-	3200	0.06	-	-	-	-	-	-0.06
- NRIs	-	-	-	-	-	-	-	-	-	-
• Clearing Members (in Transit Position)	400	-	400	0.01	-	-	-	-	-	-0.01
Sub - Total (B)(2)	215900	1293465	1509365	28.45	217300	1255665	1472965	27.77	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	215900	1621965	1837865	34.65	217300	1620565	1837865	34.65	-	-
C. Shares hold by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	3682635	1621965	5304600	100	3684035	1620565	5304600	100	-	-

(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 Shares of the	% of Shares Pledged / encumbe	No. of Shares	% of total Shares of the	% of Shares Pledged / encumbered to total	% change in share

			Company	held to total shares		Company	shares	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	11.88%	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	SHAKUNTALA 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 (Whole Time Director)				
	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%
2.	Mrs. Mithlesh Garg (Director)				
	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%
3.	Mr. Bharat Bhushan Raina (Director)				
	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	-	-	-	-
4.	Mr. Sanjiv Saran (Director)				
	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	-	-	-	-
5.	Mr. P C Pande (Director)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

#### IV. INDEBTEDNESS

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



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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	-	-	-	-
Total (I + II + III)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	1,15,74,441	-	1,15,74,441
• Reduction	-	-	-	-
Net Change	-	1,15,74,441	-	1,15,74,441
Indebtedness at the end of the financial year				
I) Principal Amount	-	2,55,50,052	-	2,55,50,052
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	13,75,000	13,75,000
	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)	13,75,000	13,75,000
	Ceiling as per the Act	As Per Section 197 & Schedule V of the Companies Act, 2013	

##### B. Remuneration to other Directors:

S.	Particulars of	Name of Directors	Total Amount
----	----------------	-------------------	--------------

No.	Remuneration	Mr. B.B. Raina	Mrs. Mithlesh Garg	Mr. Sanjiv Saran	Mr. P C Pande			
1.	<ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	- - - 1,50,000	- - - 8,25,000	- - - -	- - - -	-	- - - 9,75,000	
	Total (B)	1,50,000	8,25,000	-	-	-	-	
Total Managerial Remuneration							9,75,000	
Overall ceiling as per the Act							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	3,00,000	1,80,000	4,80,000
	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 (C)	3,00,000	1,80,000	4,80,000

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

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

ANNEXURE-C  
CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The Board of Directors is an optimum combination of professionalism experiencing executive, non executive, and Independent Director formed by the shareholders, provides and evaluates the strategic directions of the Company; formulates and reviews management policies, serves and protects the overall interests of shareholders to ensure long-term value creation for stakeholders. As on 31<sup>st</sup> March 2020, the Board of Directors comprises of Five members viz. Mr. Basudev Garg, Mrs Mithlesh Garg, Mr. Bharat Bhushan Raina, Mr. Ravi Jaisalmeria, Mr. Sanjiv Saran and Mr. P C Pande.

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 2020, 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.

Name	Category
Mr. Basudev Garg	Chairman & Whole Time Director
Mrs. Mithlesh Garg	Women and Non-Executive Director
Mr. Bharat Bhushan Raina	Director
Mr. Ravi Jaisalmeria	Director
Mr. Sanjiv Saran	Independent Director
Mr. P C Pande	Independent Director

Note:

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

## Board Meeting

During the financial year ended March 31, 2020, 8 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
10.04.2019	6	5
25.05.2019	5	4
06.06.2019	5	4
08.07.2019	7	5
14.08.2019	6	5
31.08.2019	7	5
11.11.2019	7	5
14.02.2020	6	5

### 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	8	Yes	1	--	--
Smt. Mithlesh Garg	8	Yes	1	--	--
Shri B. B. Raina	8	Yes	--	--	--
Shri Sanjiv Saran	5	Yes	--	--	--
Shri P C Pande	3	Yes	--	--	--
Shri Ravi	1	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 31.03.2020 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, 2020, the composition of Audit Committee was as under:

Name of the Member	Designation
Mr. Sanjiv Saran	Chairman
Mr. P C Pande	Member
Mr. Basudev Garg	Member

## Role of Audit Committee

- a) Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d) Reviewing, with the Management, the Annual Financial Statements before submission to the board for approval, with particular reference to:
  - 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 25.05.2019, 14.08.2019, 11.11.2019 and 14.02.2020. The attendance of each Committee members is as under:

Name of Member	No. of meetings held	Meetings Attended
Shri Sanjiv Saran (Chairman)	4	3
Shri P C Pande (Member)	4	2
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, 2020, the composition of Stakeholders' Relationship Committee was as under:

Name of the Member	Designation
Mr. Sanjiv Saran	Chairman
Mr. P C Pande	Member
Mr. Basudev Garg	Member

During the year, the Stakeholders' relationship Committee had met on 14.08.2019 and 14.02.2020.

No complaints received and resolved during the year under review and there are no outstanding complaints as on 31.03.2020. 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, 2020, the composition of Nomination and Remuneration Committee was as under:

Name of the Member	Designation
Mr. Sanjiv Saran	Chairman
Mr. P C Pande	Member
Mrs. Mithlesh Garg	Member

During the year, the Nomination and Remuneration Committee Meeting had met two times on 14.08.2019 and 14.02.2020. 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
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
27 <sup>th</sup> Annual General Meeting	28 <sup>th</sup> September 2019 at 1.00 P.M.	9 <sup>th</sup> Kilometer Stone Pipli To Ambala, Village Masana, Kurukshetra, Haryana	None

## 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, 2020 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintain adequate accounting records.

#### Compliance Certificate

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

#### CEO/CFO Certifications

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

#### MEANS OF COMMUNICATION

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

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

#### GENERAL SHAREHOLDER INFORMATION

##### a) Annual General Meeting

Date and Time : 30.09.2020 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 2020-2021
- 1<sup>st</sup> Quarter ending June 30, 2020 : On 14<sup>th</sup> September 2020
  - 2<sup>nd</sup> Quarter ending September 30, 2020 : Mid of November 2020
  - 3<sup>rd</sup> Quarter ending December 31, 2020 : Mid of February 2021
  - Annual Result for the year ended March 31, 2021 : End of May 2021
- c) Date of Book Closure/Record Date : 23.09.2020 to 30.09.2020  
(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, 2019	NIL	NIL	NIL
May, 2019	NIL	NIL	NIL
June, 2019	NIL	NIL	NIL
July, 2019	NIL	NIL	NIL
August, 2019	25.65	25.65	400
September, 2019	NIL	NIL	NIL
October, 2019	NIL	NIL	NIL
November, 2019	NIL	NIL	NIL
December, 2019	NIL	NIL	NIL
January, 2020	NIL	NIL	NIL
February, 2020	NIL	NIL	NIL
March, 2020	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 69.45% of total equity share capital is held in dematerialized form up to 31.03.2020 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 2020:

	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	3,64,900	6.88
	Sub Total	3,64,900	6.88
(2)	Non Institutions		
(a)	Bodies Corporate	--	--
(b)	Individuals	13,60,365	25.65
(c)	Any Other	1,12,600	2.12
(d)	NRI	--	--
	Sub Total	14,72,665	27.77
	Total	18,37,865	34.65
	Grand Total	5,304,600	100.00

P) Distribution of Shareholding as on 31.03.2020

S.No.	Category (Shares)	Holder	% of Total Holders	Shares	% of Total Shares
1.	Up to 500	1049	77.70	2424100	4.57
2.	501-1,000	142	10.52	1149050	2.17
3.	1,001-2,000	82	6.07	1284000	2.42
4.	2,001-3,000	22	1.63	557000	1.05
5.	3,001-4,000	6	0.44	217000	0.41
6.	4,001-5,000	11	0.81	531000	1
7.	5,001-10,000	15	1.11	1278000	2.41
8.	10,001 & Above	23	1.70	45605850	85.97

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: 03.09.2020

Place: Haryana (Kurukshetra)

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, 2020.

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

Date: 03.09.2020

Place: Haryana (Kurukshetra)

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 31.03.2020 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: 03.09.2020  
Place: Delhi

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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, 2020:-

- a) We have reviewed the financial statements and cash flow statement for the year ended on 31<sup>st</sup> March, 2020 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, 2020 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 are 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: 03.09.2020

Place: Haryana (Kurukshetra)



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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 31.03.2020.

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.

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## 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 99IWH,kyl&&KYVjkV,&GYHjdlyyV&MY/djfY/djky4fV&Hj:kf/f&eY/djkyllVH& Y/kjl,dV&RY

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 ma

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, 2020, 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, 2020, 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

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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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have the following pending litigations which would impact its financial position:
- a) In the matter of Semen Bank Officer/Haryana Live Stock Development Board, Pehowa, Harayana (Milk Cess) vs. Company of Rs 71,31,64,397/- including interest of 69,79,07,522/-.
- b) In the matter of Company vs Hitkari Industries Ltd in the Karkadoma Court for Rs.1,85,000 + 123,671/- Delhi.
- c) In the matter of Company v/s Shree Ganesh Trading Co. Kurukshetra, Kurukshetra Court for Rs. 128,693/- plus Interest
- d) In the matter of Company vs. 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  
(Partner)  
M. No. 091989

Place: Delhi  
Date: 01.07.2020



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, 2020, 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, 2020 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanations given to us, no amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any disputes.

- 8) 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 to notes 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  
(Prop)  
(M. No. 091989)

Place: Delhi  
Date: 01.07.2020

“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, 2020 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, 2020, 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  
(Prop)  
(M. No. 091989)

Place: Delhi  
Date: 01.07.2020

KMG MILK FOOD LIMITED BALANCE SHEET AS AT 31 MARCH 2020			
(Amount in Rs.)			
	Note No	As at 31st March 2020	As at 31st March 2019
		<b>Assets</b>	
1		<b>Non-current assets</b>	
(a)	1	23382080.00	25720313.00
(b)			
(c)			
(d)			
(e)		<b>Financial Assets</b>	
	2	33000.00	33000.00
(ii)	3	-	-
(iii)			
(iv)			
(v)			
(f)	4	3159710.00	3159710.00
(g)			
2		<b>Current assets</b>	
(a)	5	454545.00	1761804.00
(b)			
(i)			
(ii)	6	2764436.00	2784436.00
(iii)	7	63800.00	48644.00
(iv)	8	1654326.00	1555130.00
(v)			
(vi)			
(c)			
(d)	9	1380289.00	1527891.00
		<b>Total Assets</b>	<b>32892186.00</b>
			<b>36590928.00</b>
		<b>Equity and Liabilities</b>	
1		<b>Equity</b>	
(a)	10	53046000	53046000
(b)	11	-63772372	-51638495
		<b>Total Equity</b>	<b>1407505</b>
2		<b>Liabilities</b>	
		<b>Non-current liabilities</b>	
(a)		-	-
(i)		-	-
(ii)		-	-
(iii)		-	-
(b)		-	-

(c)	Deferred tax liabilities (net)	12	2842363.00	2712085.00
(d)	Other non-current liabilities		-	-
			2842363.00	2712085.00
	Current liabilities			
(a)	Financial liabilities			
(i)	Borrowings	13	25550052.00	13975611.00
(ii)	Trade Payable	14	817855.00	651570.00
(iii)	Other Financial liabilities	15	14408288.00	17844157.00
(b)	Other current liabilities			
(c)	Provisions	16	-	-
	Total Liabilities		43618558.00	35183423.00
	Total equity and liabilities		32892186.00	36590928.00

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/-  
Mithlesh Garg  
Director

Sd/-  
Basudev Garg  
Chairman & Whole  
time director

Sd/-  
Pardeep Gupta  
CFO

M.No 091989  
FRN 012867N

DIN-00185942

DIN-00282038

PAN-  
AKWPG5616L

Place: Delhi  
Dated:01.07.2020

Sd/-  
Preeti Varshney  
Company Secretary  
ACS-A36841

KMG MILK FOOD LIMITED					
Statement of Profit and Loss for the year ended 31st March, 2020					
(Amount in Rs.)					
Particulars			Note No	Current Year	Previous Year
A		Continuing operations			
		Income			
	1	Revenue from operations	17	1947262.00	8207860.00
	2	Other income	18	1337129.00	177831.00
	3	Total revenue (I)		3284391.00	8385691.00
	4	Expenses			
		Cost of Material Consumed	19	589798.00	8196244.00
		Changes in inventories of finished goods	20	1279911.00	199705.00
		Employee benefits expense	21	4370294.00	4487466.00
		Other expenses	22	4656578.00	6153473.00
		Total Expenses (II)		10896581.00	19036888.00
	5	Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		-7612190.00	-10651197.00
		Finance Cost	23	1935036.00	1302974.00
		Depreciation and amortization expense	24	2456373.00	2959763.00
	6	Profit/(loss) before extraordinary items and tax		-12003599.00	-14913934.00
	7	Extraordinary items		-	-
	8	Profit/(loss) before tax		-12003599.00	-14913934.00
		Tax expense			
		Current tax		-	-
		(Less): MAT credit (where applicable)			
		Current tax expense relating to prior years		-	-
	9	Net current tax expense			
		Deferred tax		130278.00	(759430).00
		Total Tax expense		130278.00	(759430).00
	10	Profit/(loss) for the year		(12133877.00)	(14154504.00)
		Minority shareholders interest-loss/(profit)		-	-
		Share in loss of associates		-	-
	11	Profit/ (Loss) for the year from continuing operations (A)		-12133877.00	-14154504.00
B		Discontinuing operations			
		Profit/(loss) before tax from discontinuing operations		-	-
		Tax expense of discontinuing operations		-	-

C	12	Profit/(loss) after tax from discontinuing operations (B)		-	-
	13	Profit/(loss) for the year (A+B)		-12133877.00	-14154504.00
D	14	Other comprehensive income			
		(i) Items that will not be reclassified to profit or loss			
		(ii) Income tax relating to items that will not be reclassified to profit or loss			
		(iii) Items that will be reclassified to profit or loss			
	(iv) Income tax relating to items that will be reclassified to profit or loss				
		Total comprehensive income for the period (XIII + XIV)		-12133877.00	-14154504.00
		Earnings per share	25	(2.29)	(2.67)
		Basic		(2.29)	(2.67)
		Diluted		(2.29)	(2.67)
The accompanying notes are an integral part of the financial statements					
This is the Statement of Profit & Loss in our report of even date					
For Manoj& Associates Chartered Accountants			For and on behalf of Board of Directors For KMG Milk Food Limited		
Sd/- Mithlesh Garg			Sd/- Basudev Garg		Sd/- Pardeep Gupta
Manoj Kumar Jain Prop			Director		Chairman & Whole time director CFO
M.No 091989 FRN 012867N			DIN-00185942		DIN-00282038 PAN- AKWPG5616L
Place: Delhi Dated: 01.07.2020			Sd/- Preeti Varshney Company Secretary ACS-A36841		



KMG MILK FOOD LIMITED			
Cash Flow Statement			
For the year ending 31st March,2020 (Amount in Rs )			
	Particulars	Current Year	Previous Year
A	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit/(Loss) before Tax	(12133877)	(14154504)
	<u>Add/(Deduct)</u>		
	1 Depreciation on Fixed Assets	2456373	2959763
	2 Increase(Decrease) in Deferred Tax Liabilities	130278	-759430
	3 Interest Income	-170990	-177831
	Operating Cash Profit before Working Capital Changes	(9718216)	(12132002)
	<u>Add/(Deduct)</u>		
	1 Increase(Decrease) in Creditors & other Payables	-3269584	850810
	2 (Increase)Decrease in Current Assets	1454861	632450
	3 (Increase)Decrease in Trade Receivables	20000	-550075
	4 (Increase)Decrease in Short Term Loans and Advances	-99196	-93493
	Cash flow from Operations	-11612135	-11292310
	Net Cash flow from Operating Activities	(11612135)	(11292310)
B	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	1 Capital Received	-	-
	2 Purchase of Fixed Assets	-118140	-94962
	3 Interest Received	170990	177831
	4 Increase (Decrease) in Long Term Loan & Advances	-	-
	Net Cash flow from Investing Activities	52850	82869
C	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	<u>Add/(Deduct)</u>		
	1 Increase (Decrease) in Long Term Loan & Advances	11574441	10954307
	2 Increase (Decrease) in Other Long Term Liabilities	-	-



(Amount in Rupees)

**Note-2: Investment**

S.No	Particulars	31 March 2020	31 March 2019
1	Government Securities (NSE) Note: Deposit with Sale Tax department as security.	33,000	33,000
	Total	33,000	33,000

**Note-3: Trade Receivables**

(Amount in Rupees)

S.No	Particulars	31 March 2020	31 March 2019
1	Unsecured, considered good - Bapna Trading Co, Kankroli	-	-
2	- Fair Deal Agencies	-	-
3	- Goldline Milk Food Pvt ltd	-	-
4	- Right Choice	-	-
5	- Right Choice, Jodhpur	-	-
	Total Trade Receivables	-	-
	Less impairment of Trade receivable ( Note 14)	-	-
	Total Trade Receivables	-	-

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

(Amount in Rupees)

S.No	Particulars	31 March 2020	31 March 2019
(a)	Security deposits 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 2020	31 March 2019
	Raw Material (at Cost)	454545	481893
	Finished Goods ( at lower of cost and net realisable value)	-	1279911
	Total inventories at the lower of cost and net realisable value	454545	1761804

**Note-6: Trade Receivable**

(Amount in Rupees)

S.No	Particulars	31 March 2019	31 March 2019
	Unsecured, considered good Outstanding exceeding six months Trade receivables	2764436 -	654436 2130000
	Total Trade receivables	2764436	2784436
	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.		

Note-7: Cash and cash equivalent (Amount in Rupees)

S.No	Particulars	31 March 2020	31 March 2019
1	Balances with banks:		
	On current accounts	31517	43402
2	Cash on hand	32283	5242
	<b>Total</b>	<b>63800</b>	<b>48644</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 2020	31 March 2019
1	Loan to related Party	-	-
2	Loan to directors	-	-
3	Other Loans:		
4	VAT- Haryana	-	-
	GST	1589427	1491212
5	Advocate	-	-
6	Advance to Parties	64899	63918
	<b>Total loans</b>	<b>1654326</b>	<b>1555130</b>
	Current	1654326	1555130
	Non-Current	-	-
	<b>Total loans</b>	<b>1654326</b>	<b>1555130</b>

Note-9: Other Current Assets (Amount in Rupees)

S.No	Particulars	31 March 2020	31 March 2019
1	TDS Receivable	1342375	1342375
	Staff Advance	-	50000
2	Prepaid expenses	37914	135516
	<b>Total</b>	<b>1380289</b>	<b>1527891</b>

(Amount in Rupees)

Note-10: Share Capital

(a)	Authorised, Issued, Subscribed and paid-up share capital	31 March 2020	31 March 2019
1	Authorized shares capital 60,00,000 (Previous Year 60,00,000) equity shares of Rs.10/- each	60,000,000	60,000,000
2	Issued, subscribed and paid-up capital 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 2020	31 March 2019
1	Out of the equity shares issued by the company, shares held by its associates company is as below: Equity shares of Rs. 10 each fully paid up 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 2020	31 March 2019
1	Equity shares of Rs. 10 each fully paid up 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 2020	31 March 2019
1	Retained earning Opening Balance Addition during the period	-51638495 -12133877	-37483991 -14154504
	Total	-63772372	-51638495

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 2020	31 March 2019
	Deferred tax liability arising on account of:		
1	Employee benefits	-	-
2	Depreciation	130278	-759430
3	Opening Balance	2712085	3471515
4	Less: Deferred Tax Assets	-	-
	Deferred tax liability (Net)	2842363	2712085

**Note-13: Borrowings**

S.No	Particulars	31 March 2020	31 March 2019
1	Loan repayable on demand Unsecured Loan from Directors	25550052	13975611

**Note:16 Provisions**

	Particulars	31 March 2020	31 March 2019
1	Provision for employee benefits		
	Provision for gratuity	-	-
	Total	-	-
	Total current	-	-
	Total non-current	-	-

**Note-17: Revenue from operations**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Revenue from operations		
	Sale of products		
	Export	-	-
	Domestic		
	Sale	1947262	8207860
	Equipment Rental	-	-
	Consumable Stores	-	-
	Processing Charges	-	-
		1947262	8207860
2	Other operating revenues	-	-
	Revenue from operations (Gross)	1947262	8207860
	Less : Excise duty	-	-
	Revenue from operations (Net)	1947262	8207860

**Note-18: Other income**

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Sundry Balance written Off	996960	-
2	Insurance Claim	16679	-
3	Miscellaneous Income	152500	-
4	Interest	170990	177831
	Total	1337129	177831

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

(Amount in Rupees)

S. No.	Particulars	Current Year	Previous Year
1	Opening Stock	481893	527451
2	Add Purchase including Packing Materials	562450	8150686
	Total	1044343	8678137
	Less: Closing Stock	454545	481893
	Total	589798	8196244

Note-20: Change in Inventories of finished goods (Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Opening Stock	1279911	1479616
2	Less: Closing Stock	-	1279911
	Total	1279911	199705

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Note-21: Employee benefit expense (Amount in Rupees)

S. No	Particulars	Current Year	Previous Year
1	Salaries, wages and bonus	4190195	4397888
2	Contribution to provident fund and other funds	123690	46215
3	ESI	38015	38752
4	Staff welfare expenses	18394	4611
	Total	4370294	4487466

Note-22: Other expenses

(Amount in Rupees)

S.No	Particulars	Current Year	Previous Year
1	Freight Inward	2350	1150
2	Weight	15520	15520
3	Store-Hush & Charcoal	-	64891
4	Store Lab	4690	2000
5	Selling & Distribution Expenses	21312	152297
6	Distribution, advertising and business promotion	99554	115450
7	Repairs and maintenance - Building	5890	34388
8	Repairs and maintenance - Machinery	253730	29371
9	Repairs and maintenance - Others	470610	14711
10	Insurance	167392	817147
11	Miscellaneous expenses	1728	7190
12	Legal and professional expenses	725350	506751
13	Office Expenses	303676	311571
14	AGM Expenses	-	25000
15	Stock Exchange Expenses	322500	277353
16	Power and Fuel Expenses	1839184	1904547
17	Postage Expenses	24396	26331
18	Travelling and conveyance	42991	108462
19	Festival Expenses	19090	460
20	Fees & Taxes	124614	129918
21	Communication costs	48712	104756
22	Vehicle Maintenance Expenses	-	519321
23	Sundry balance written off	-	816379
24	Printing and stationery	49416	50,015
25	Penalty	3910	15317
26	GSTon URD	650	1850
27	Interest on Water Cess	3113	-
28	Payment to auditor ( Audit and other expenses)	106200	101800
	Total	4656578	6153473



Note 23: Financial Cost		(Amount in Rupees)	
S.No	Particulars	Current Year	Previous Year
1	Interest on loan	1935036	1302974
	Total	1935036	1302974

Note: Interest Paid/payable on unsecured loan received from the Director, Smt. Mithlesh Garg

Note-24: Depreciation and amortization expenses		(Amount in Rupees)	
S.No	Particulars	Current Year	Previous Year
1	Depreciation of tangible assets	2456373	2959763
	Total	2456373	2959763

Note-25: Earning per share		(Amount in Rupees)	
S.No	Particulars	Current Year	Previous Year
1	Net profit attributable to equity shareholders Profit after tax	(12133877)	(14154504)
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	Basic/ diluted earnings per share (Rs.)	(2.29)	(2.67)

Note-26: Related Party Disclosures		(Amount in Rupees)	
S.No	Particulars of transactions with related party	Current Year	Previous Year
	The following is a summary of significant related party transaction		
A	Director and relative of the director of the company		
1	Smt.Mithlesh Garg ( Nature -Unsecured Loan)	14100000	12440000
2	Smt.Mithlesh Garg ( Nature -Interest on unsecured loan)	1467353	1238947
3	Mr. Basudev Garg ( Nature –Unsecured Loan)	6350000	1470000
4	Mr. Basudev Garg ( Nature –Interest on unsecured loan)	338231	64027
5	Mr. B.B Raina ( Nature-Salary)	150000	300,000
6	Mr. Basudev Garg ( Nature - expenses Incurred)	617883	-
7	Smt.Mithlesh Garg ( Nature -Salary)	825000	900000
8	Mr. Basudev Garg ( Nature - Salary)	1375000	1500000

**Note-27:Contigent Liabilities**

1	No provision has been made in the account for doubtful debts and advances. These all are considered by the management as recoverable.
2	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 arears of milk cess will be delinked. A communicate in this regard issued by Finance Department of Government of Haryana through it's Circular No. U.O. No. 45/02/2005-5FD-1/10182 Dated 15.06.2018 also certifies the issue. As per the OTS with the managing director, Haryana livestock Development Board, Panchkula, Haryana. the final demand of Rs. 4,89,47,737/- is determined by the board. But this application for OTS is not accepted by the Board as per information received by the company till date.
(A)	The pending court cases against and for the company is as under:
1	In the matter of Semen Bank Officer/Haryana Live Stock Development Board, Pehowa, Hararyana(Milk Cess) vs. Company of Rs. 71,31,64397/- Including Interest of Rs 69,79,07,522/-
2	In the matter of Company vs Hitkari Industries Ltd in the Karkadoma Court for Rs.185000 + 123671/- Delhi.
3	Company V/s Shree Ganesh Trading Co. Kurukshetra, Kurukshetra Court for Rs 128693+Interest
(B)	Court cases for recovery u/s 138
1	In the matter of Company vs. BaldevBhui in the Karkadoma Court for Rs.1, 30,000/- Delhi.
2	In the matter of Company vs. Prem Prakash in the Karkadoma Court for Rs.90,000+67,000/- Delhi.

**Note-28:Covid-19**

1	<p>“The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31st May 2020 (with some relaxations) to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.</p> <p>Consequently, the Company business activities have also been affected. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions.</p>
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29	Previous year figures are regrouped/rearrange wherever necessary to conform to this year's classification.
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30	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

Sd/-  
Mithlesh Garg  
Director

Sd/-  
Basudev Garg  
Chairman & Whole time  
director

Sd/-  
Pardeep Gupta  
CFO

M.No 091989  
FRN 012867N

DIN-00185942

DIN-00282038

PAN-AKWPG5616L

Place:Delhi  
Dated:01.07.2020

Sd/-  
Preeti Varshney  
Company Secretary  
ACS-A36841

KMG MILK FOOD LIMITED  
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Sl. No.	Particulars	As at 31.03.2019 (in Rs.)	Change during year 2018-19	As at 31.03.2020 (in Rs.)
1	Authorized Share Capital (Equity Share)	60000000	NIL	60000000
	Total	60000000	NIL	60000000
2	Issued, Subscribed & Fully Paid-up Share Capital	53046000	NIL	53046000
	Total	53046000	NIL	53046000

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/-  
Mithlesh Garg  
Director -  
DIN-00185942

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

Sd/-  
Pardeep Gupta  
CFO  
PAN-AKWPG5616L

Place:Delhi  
Dated:01.07.2020

Sd/-  
Preeti Varshney  
Company Secretary  
ACS-A36841

Annexure-I

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES  
(Annexed to and forming part of the financial statements for the year ended 31st March, 2020)

1. BASIS OF PREPARATION: -

These financial statements have been prepared on in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015. The company prepared its financial statements in accordance with Accounting Standards notified under section 133 of

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current by the Company when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period;
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

#### 5. PROPERTY, PLANT AND EQUIPMENT (PPE)

- Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises purchase price, borrowing cost if Capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.
- Costs of the day to-day servicing described as for the ‘repairs and maintenance’ are recognized in the statement of profit and loss in the period in which the same are incurred.
- Depreciation on property, plant and equipment, except freehold land, is provided as per cost model on Written down Value over the estimated useful lives.
- The estimated useful life of the assets is reviewed at the end of each financial year.

#### 6. FINANCIAL ASSETS

Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow Characteristics.

Investments: -

Long term investments are Valued on Fair Market Value on Year end and any Gain/Loss has been reported to Profit & Loss Account under other comprehensive Income.

Depreciation on Tangible Assets: -

Depreciation on tangible assets is calculated on WDV using the rates arrived at based on the useful as per Companies Act, 2013. The company has used the following useful lives to provide depreciation on its assets: -

Particular	Useful lives estimated by management (Years)	Useful lives as per schedule II
Office Equipment	05	05
Furniture & Fixtures	10	10
Vehicles	08	08

Plant & Machinery	15	15
Building	30	30
Building-Guest House	60	60
Building – Fence walls	05	05
Computer	03	03

7. INVENTORIES: -

Inventories are valued at the lower of cost and net realizable value.

Raw Material: cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress: cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Cost is determined on first in, first out basis.

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

8. EARNING PER SHARE: -

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average of no of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average no of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

9. TAXATION: -

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period.

10. REVENUE RECOGNITION: -

Revenue from sale of Goods:

- a) Income from processing of milk is accounted for the processing invoice amount for by the company.
- b) Revenue in respect of other income is accounted on accrual basis except claim received/paid.
- c) Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes levies or duties collected on behalf of the government/ other statutory bodies.

#### Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

#### Leases:

Lease income from operating shall be recognized in income on straight-line basis over the lease period, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished

#### Interest:

Interest income is recognized using the effective interest method.

#### 11. EMPLOYEES BENEFITS: -

- Contribution to defined schemes such as provident fund, superannuating/pension benefits, gratuity employee's state insurance scheme is charged as incurred on accrual basis. These are in accordance with the respective Act's.
- Leave Encashment: -  
As per the employment policy of the company the employees avail their annual Leave and provision for leave encashment is made on the basis of Actuarial Valuation.
- Gratuity: -

In accordance with the Payment of Gratuity Act, 1972, the company provides for gratuity covering all employees. The plan, subject to the above Act, provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based in the respective employee's salary and the tenure of employment as per the Actuarial Valuation.

#### 12. BORROWING COSTS: -

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

#### 13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS: -

A provision is recognised when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

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 28<sup>th</sup> Annual General Meeting of KMG Milk Food Limited held on Wednesday, 30<sup>th</sup> September, 2020 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-mail Id: ..... 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 28th Annual General Meeting of the KMG Milk Food Limited, to be held on Wednesday, 30<sup>th</sup> September, 2020 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	
Ordinary Business		For	Against
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2020 and reports of the Board of the Directors and the Auditors thereon.		
2.	Re-appointment of Mrs. Mithlesh Garg as director, who retires by rotation and being eligible, offers himself for re-appointment.		
Resolution No.			
Special Business:			
3.	Re-appoint of Shri Basudev Garg, as the Whole Time Director of the Company, for a further period of five years w.e.f. 24.05.2020 to 25.05.2025.		

Signed this ..... day of ..... 2020.

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

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

Note:

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

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

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

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

**BALLOT/POLL FORM**

The member who are not able to attend the Annual General Meeting can send their assent or dissent in writing in respect of the resolutions as set out in the notice by sending the duly filed and signed ballot/Poll form to Mr. Manoj Kumar Jain, PCS, Scrutinizer c/o F-2, Plot No-299, Sector-4, (Near Vaishali Metro Station) Vaishali, Ghaziabad, UP-201010 Ph : 0120-4138598 so as to reach him on and before 30<sup>th</sup> September, 2020.

Name	
Address	
DP Id	
Client Id	
No. of Shares held	

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 3<sup>rd</sup> September, 2020 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.

Resolution	Type of Resolution (Ordinary/Special)	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
<b>Ordinary Business</b>			
1. Adoption of Audited Financial Statements for the financial year ended March 31, 2020 and reports of the Board of the Directors and the Auditors thereon.	Ordinary		
2. Re-appointment of Mrs. Mithlesh Garg as director, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
<b>Special Business</b>			
3. Re-appoint of Shri Basudev Garg, as the Whole Time Director of the Company, for a further period of five years w.e.f. 24.05.2020 to 25.05.2025.	Special		

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

