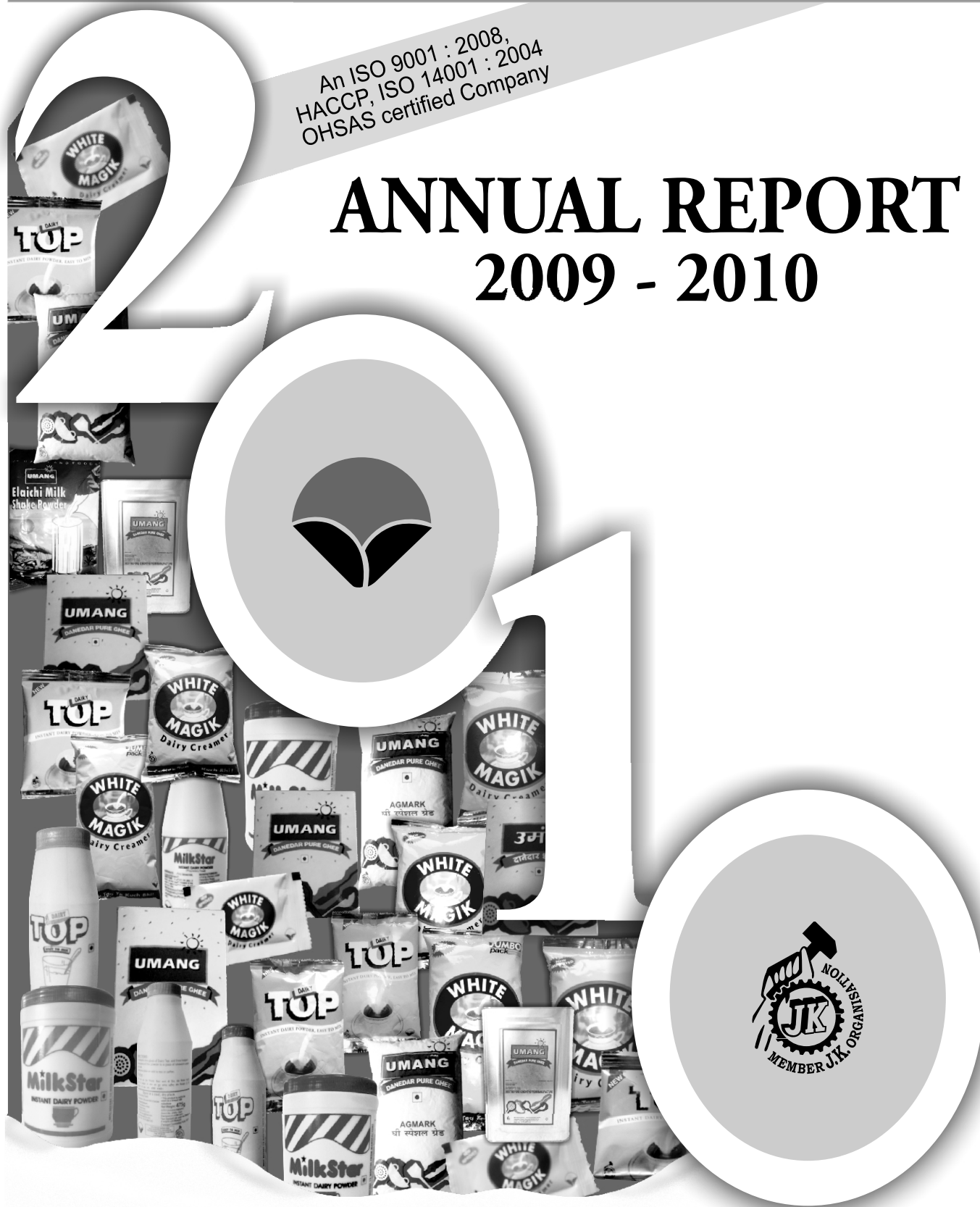


An ISO 9001 : 2008,
HACCP, ISO 14001 : 2004
OHSAS certified Company

ANNUAL REPORT 2009 - 2010



UMANG DAIRIES LIMITED

Remembering A Visionary

The Company is celebrating the birth centenary of its Founder, Lala LakshmiPat Singhanian, one of the key architects of JK Organization. As a true visionary, he laid the foundation for taking the Organization to new heights in the journey of building a self reliant India. He was a dynamic leader who championed the cause of domestic industry with Indian ownership and management.

The JK Organization became one of the top four private sector Groups in the country during his lifetime. He pioneered the manufacturing of many products, for the first time in India. Through a plant set up in West Bengal in 1944, he started the production of aluminium metal in India from Indian Bauxite for the first time. This metal was further converted into complete range of aluminium products including aluminium foils. The company, Aluminium Corporation of India Limited, was one of the few integrated Aluminium plants in the world.

Lala LakshmiPat Singhanian set up many successful companies in different parts of the country, which provided thousands of job opportunities, particularly in the backward areas of rural India. These include, Straw Products Ltd in Bhopal in 1938 which commenced production of straw boards and later on paper boards. Production of high quality writing and printing paper was started in 1962 in Orissa and the company is now operating under the name of JK Paper Limited, known for its high value added products. He was also instrumental in setting up various other plants for the manufacture of Automobile Tyres (JK Tyre & Industries Ltd.) and Cement (JK Lakshmi Cement Ltd.), amongst many other initiatives of the group.

He was the Chairman of National Insurance Company for several years. The Company covered both life and general insurance activities. He made it grow as the 3rd largest insurance company of the country with largest overseas network. Unfortunately Insurance – Life and General as well as Aluminium were nationalized in India as a matter of the then policy of the government.

He was the guiding spirit for the JK Group to set up several medical and educational institutions across the country including scores of primary schools in the rural areas

Lala LakshmiPat Singhanian embodied the rare qualities that transcend time through their single-minded purpose, simplicity, vision and the constant working of an enquiring mind that rejects the status quo. Apart from being a philanthropist entrepreneur he believed in upliftment of the society at large. He has left behind a value system based on Trust, Nationalism and Care which serves as a beacon for the Group Companies to charter their course into future. The core values are:

- Caring for people
- Integrity including intellectual honesty, openness, fairness and trust
- Commitment to Excellence

Centenary Year



LALA LAKSHMIPAT SINGHANIA
1910 - 1976

KEY ARCHITECT OF JK ORGANISATION

"We seek a society which is proud of its past,
conscious of the present and full of hope for the future."

BOARD OF DIRECTORS

D. B. Doda

R. C. Jain

R. C. Periwal

R. L. Saha

CORPORATE OFFICE

Gulab Bhawan, 3rd Floor
6A, Bahadur Shah Zafar Marg
New Delhi - 110 002
Phone : (011) 23311112-5
e-mail : umang@jkmil.com
website : www.umangdairies.com

REGISTERED OFFICE

Gajraula-Hasanpur Road
Gajraula - 244 235
Distt. Jyotiba Phule Nagar
Uttar Pradesh
Phone : (05924) 252491 - 4
E-mail : udl@umangdairies.com

AUDITORS

Lodha & Co.
Chartered Accountants

COMPANY SECRETARY

Shuchi Sharma

BANKERS

Canara Bank
State Bank of India
Punjab National Bank

SHARE TRANSFER AGENT

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

UMANG DAIRIES LIMITED



UMANG DAIRIES LIMITED

Corporate Office: Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg,
New Delhi – 110 002

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **UMANG DAIRIES LIMITED** will be held at the Registered Office of the Company at Gajraula-Hasanpur Road, Gajraula - 244235, Distt. Jyotiba Phule Nagar, Uttar Pradesh on Tuesday, the 31st August 2010 at 12.00 Noon to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the financial year ended 31st March, 2010 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri D.B. Doda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act 1956, M/s. Lodha & Co., Chartered Accountants (Registration No.301051E), be and are hereby appointed as Auditors of the Company from the conclusion of the 17th Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration of Rs. 1,20,000/-, excluding service tax as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit.”

REGISTERED OFFICE:

Gajraula-Hasanpur Road
Gajraula - 244235
Distt. Jyotiba Phule Nagar, (U.P.)

Date: 28th May 2010

By order of the Board

R.C. PERIWAL
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Annual Book Closure of Register of Members and Share Transfer Book: 17.08.2010 to 31.08.2010 (both days inclusive).
3. Resume of Shri D.B. Doda proposed for reappointment as Director liable to retire by rotation (Item No. 2).
Shri D.B. Doda, aged 65 years, is a graduate in Science (Dairy Technology) and has varied experience of 44 years as a senior Management Executive in different industrial units. He does not hold any Directorship and Membership of Committees of the Board in any other Company. Shri D.B. Doda holds 50 shares in the Company.

REGISTERED OFFICE:

Gajraula-Hasanpur Road
Gajraula - 244235
Distt. Jyotiba Phule Nagar, (U.P.)

Date: 28th May 2010

By order of the Board

R.C. PERIWAL
Director

DIRECTORS' REPORT

To the Members

The Directors present the 17th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

The Company is observing this year as the **Birth Centenary Year** to pay humble respects to late Lala LakshmiPat Singhania (1910-1976), who had been a great Visionary and a Key Architect of JK Organisation. He believed in the philosophy of inclusive growth encompassing all sections of the Society.

FINANCIAL RESULTS

(Rs. in Lacs)

	2009-10	2008-09
Sales and Other Income	5061.04	3344.37
Operating Profit/(Loss) (PBIDT)	(27.83)	(97.44)
Profit/(Loss) before Depreciation (PBDT)	(58.26)	(122.96)
Net Profit/(Loss)	(202.38)	(253.41)

Under Sick Industrial Companies (Special Provisions) Act, 1985, the Company was referred to Board for Industrial and Financial Reconstruction (BIFR) in the year 2002. A Rehabilitation Package was sanctioned by BIFR on 03.08.2009. Most of the long term lenders of the Company were settled and paid off by promoter group companies. In respect of 2 lenders, BIFR froze the liability and prescribed a payment schedule.

OPERATIONS

Due to delayed and deficit monsoon in Northern India and consequent draught conditions, milk production in Northern India was short by about 5% as compared to previous year. As a consequence, availability of milk was less and prices were higher by about 20%. However, the Company was able to pass on the major part of increase in milk cost in the selling price of end-products.

Lower production and availability of milk also adversely affected Company's sale of liquid milk - sales dropped by about 64%, which effected the profitability.

Better capacity utilization during the year, however, helped the Company in reducing its losses as compared to previous year.

The Company continues to maintain its leadership position in Premixes for Tea & Coffee vending machines.

During the year, Company collaborated with M/s LVP Foods Pvt. Ltd. to put up a facility to process and pack liquid milk in poly pouches. Commercial production commenced on 11th September 2009. Plant is running satisfactorily. Capacity Utilization at year end is about 50%.

Industrial relations remained cordial. HRD continued to get the desired attention. Training programmes - in-house and outside - at different levels of employees were pursued on projected lines.

UMANG DAIRIES LIMITED



AUDITORS

M/s Lodha & Co., Chartered Accountants, the Auditors of the Company, retire and are eligible for re-appointment at the ensuing Annual General Meeting. The observations of the Auditors in their report on Accounts read with the relevant notes are self-explanatory.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 your Directors state that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
- ii) the Accounting Policies selected and applied are consistent and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a going concern basis.

DIRECTORS

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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussions and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of the conditions of Corporate Governance are made a part of this Annual Report.

PARTICULARS OF EMPLOYEES

During the year under review, there were no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY

Details of energy conservation alongwith the other information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 are annexed.

ACKNOWLEDGEMENTS

The Directors wish to thank the Customers, Dealers, Vendors, Bankers, Financial Institutions, Government Authorities and Shareholders for their continued support. They also place on record their appreciation of the hard work put in by the employees at all levels during the period under report.

On behalf of the Board

Place : New Delhi
Date : 28th May 2010

R.C. Periwal
Director
(Chairman of this meeting)

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

(a) **Energy Conservation**

Recommendations arising out of the Energy audit of the Plant are being implemented wherever possible.

(b) **Research & Development and Technology Absorption**

Activities pertaining to product development were continued.

The Company spent Rs. 0.21 Lacs on R&D during the year.

(c) **Foreign Exchange Earnings and Outgo**

(Rs.in Lacs)

Foreign Exchange earned 61.03

Foreign Exchange used Nil

(d) **Particulars of Conservation of Energy**

A. **Power & Fuel Consumption**

	2009-2010	2008-2009
1. Electricity		
a) Purchased Units (Kwh in Lacs)	36.39	14.87
Total Amount (Rs./Lacs)	156.46	70.07
Rate per Unit (Rs.)	4.30	4.71
b) <u>Own Generation</u>		
Through Diesel Generators		
Units (Kwh in Lacs)	4.86	0.87
Total Amount (Rs./Lacs)	46.48	8.89
Unit per litre of Diesel Oil	3.34	3.35
Cost / Unit (Rs.)	9.56	10.24
2. Fuel		
a) <u>Paddy Husk</u>		
Quantity (MT)	4855.38	1805.93
Total Amount (Rs./Lacs)	127.76	48.95
Rate / Unit (Rs./MT)	2631.35	2710.54
b) <u>Furnace Oil</u>		
Quantity (KL)	120.61	121.96
Total Amount (Rs./Lacs)	34.09	28.04
Rate / Unit (Rs./KL)	28266.47	22987.67

B. **Consumption per Unit of production**

* (Units per thousand Kg. of milk processed).

	DP#	LMP~	Overall 2009-10	2008-09
Electricity (Kwh)	123.66	45.76	72.11	188.10
<u>Fuel</u>				
Paddy Husk (Kg.)	178.72	36.95	84.88	215.78
Furnace Oil (Ltr.)	5.65	0.30	2.11	14.57

* All Milk Powders and Pure Ghee have common manufacturing process and it is not possible to give separate consumption of Electricity and Steam for these products. Therefore, consumption of Electricity and Fuel has been given per thousand Kg. of Milk processed.

Drying Plant

~ Liquid Milk Plant

UMANG DAIRIES LIMITED



MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY SCENARIO AND OUTLOOK

India continues to be the largest producer of milk worldwide. During last decade, milk production has been increasing @ 3.5 to 4% against world average of 1.4%. However, due to drought conditions in India in 2009, more particularly Northern India, estimates are that overall milk production may be static at previous year's level or there may be some nominal drop. It will, however, be some months more before authentic data on milk production is received. Some estimates put 2009 milk production at 108 Mn MT.

Due to short fall in milk production, Government of India authorized National Dairy Development Board to import 30,000 MT of Milk Powder and 15000 MT of Butter Oil duty free.

SOME KEY FACTS ABOUT INDIAN DAIRY INDUSTRY

- Per Capita availability of milk in grams:**

1999-2000	: 78
2005-2006	: 93
2009-2010	: 115

(Source: Global Trade Information Services)

- Milk Production:**

1951	: 17 Mn MT
2009	: 108 Mn MT

- Structure of Indian Dairy Industry:**



(Source: Technopak Analysis)

- Demand and Supply Gap:**

With economy growing on a fast track and consequently more purchasing power in the hands of consumers, gap between demand and supply is increasing in favour of demand. According to NDDB estimates, demand for milk will go up to 172 Mn MT by 2021-22.

Many overseas Dairy majors have put up facilities to manufacture a number of Fresh Products in India. Yoghurt, Energy Drinks, Milk based Fruit Drinks etc. are some of the products which are being manufactured in India now. Several more dairy majors are doing necessary market survey and exploring to identify local partners for putting up a shop in India.

Organized retail is growing on a fast track. Large number of Indian conglomerates have independently or in collaboration with large global retail chains have made organized retail a focus area. YOY they are increasing number of retail outlets. Dairy products have found a place in most of these outlets. This augurs well for dairy industry to diversify into products like UHT Milk, Cheese, Dahi, Yoghurt, Lassi, Paneer, Chhena etc. Long term prospects of organized retail and dairy industry seem to be good.

OUTLOOK

Long term outlook for dairy industry remains positive. Per Capita consumption of milk in India is still much lower than Europe, USA, Australia and New Zealand. With economy growing decently, disposable incomes of the families are likely to go up and so will be consumption of milk and milk products.

RISKS AND CONCERNS

Production of milk per animal in India is abysmally low – it is 987 Kg per year against 2200 Kg world average. It is, therefore, very important that farmers are motivated to have more of high yield animals. From the view point of fodder availability also, it is essential to follow a strategy of lesser number of animals giving higher yield.

Another area of concern is availability of fodder for the animals. Total area under fodder crop is about the same as it was in 1947 when the country got independence. Due to increasing pressure on the land resources for cultivation of food crops, the area under fodder cultivation is unlikely to go up. It is, therefore, very essential that high yield fodder crop techniques are used to get larger quantity of fodder grown on per unit of land.

Both these activities, as aforesaid, need Government initiative and support. NDDB in association with Ministry of Animal Husbandry have drawn a plan to spend over Rs. 17,000 Crores in next 5 years to improve the yield potential of the animals and also better availability of fodder. Hopefully, this should do a lot of good to dairy industry.

ADULTERATION & FOOD SAFETY

The most important aspect of milk processing is its purity and wholesomeness. There have been instances of cheap substitution of milk with below standard substances which are hazardous to health. Even though there are certain Food safety Acts but still every other day we get to know about various tankers of spurious milk and stocks of Khoya & Paneer being apprehended.

DOMESTIC MARKET & COMPANY'S PRODUCTS

BRANDED MILK POWDERS IN CONSUMER PACKS

The Company continued to market its popular brands WHITE MAGIK, DAIRY TOP and MILK STAR dairy creamers in consumer packs in limited geographical areas.

The Company maintained its leadership position in Premixes for Tea & Coffee vending machines. The Company also increased its focus on sale of SMP and Butter to institutional buyers.



Display of White Magik at a retail outlet in Dimapur, Nagaland announcing consumer offer scheme.

CONTRACT MANUFACTURING

In the new facility for processing and packing of Liquid Milk in poly pouches, commercial production commenced from September 2009. The Plant has stabilized. The Company has made a long term agreement with a party to do contract manufacturing for them.



Liquid Milk Packaging Plant

STRENGTHS OF THE COMPANY RAW MATERIAL

The Company's plant is located in the milk surplus area of western Uttar Pradesh. Over the years, the Company has built up a Village Level Collection (VLC) network including Chilling Centres and collects milk from over 300 villages comprising about 12000 farmers – twice a day. The milk so collected is not only of better quality but is also cheaper as compared to the milk purchased from the Contractors. This gives the Company an edge over many other players in the industry. Necessary steps are being taken by the Company to maintain the level of milk procurement through the VLC network despite increasing competition in the milk shed area.

COST COMPETITIVENESS

The thrust on maintaining the operational efficiencies in the Plant continues.

HUMAN RESOURCE DEVELOPMENT

The Company recognizes the contribution and importance of its employees in today's highly competitive environment and has been systematically developing their skills and empowering its employees. People are encouraged to take on new roles and expand their horizons. Training needs at different levels are identified through Performance Appraisal System and need based training programmes are regularly organized for all levels of employees. In order to encourage leadership and problem solving qualities among workmen, the Company has helped establish Quality Circles. A number of job rotations are done to enhance employees' skills as well as to enrich their work experience. To man the operations of liquid milk packaging facility, the Company has employed 62 additional hands out of which 3 are managerial personnel.



In-house training at Factory

SOCIAL OBLIGATIONS

Various community welfare programmes in villages around its Plant have been undertaken by the Company. This includes seminars for educating the villagers, free vaccination to the animals of farmers, free veterinary services and supply of cattle feed to farmers at subsidised rates.



Farmers having a view of the machineries and equipments of the Liquid Milk Plant.

INTERNAL CONTROL SYSTEMS

There is adequate internal control system in place. The Company has appointed an external firm of Chartered Accountants to carry out the internal audits of the Plant. Their audit reports alongwith the action taken reports thereon are reviewed by the Audit Committee of the Directors.

CAUTIONARY STATEMENT

"Management Discussion and Analysis Report" contains forward looking statements which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements.

These are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

UMANG DAIRIES LIMITED



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance:

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

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

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

2. Board of Directors:

- (i) The Board of Directors presently consists of four Non-Executive Directors of which two are Independent Directors. Other details are as given hereunder:

At present the Directors of the Company have not elected any permanent Chairman but the Directors present at each meeting elect one of the non-executive Directors then present to be the Chairman of the meeting. However, the Company complies with requirement of Clause 49(I) of the Listing Agreement, as two out of the four Directors are independent.

Shri Pramod Kapoor is the Manager of the Company u/s 269 of the Companies Act, 1956.

- (ii) Date & Number of Board Meetings held:-

During the year 2009-2010, five Board Meetings were held on 27th May 2009, 30th July 2009, 2nd September 2009, 31st October 2009 and 28th January 2010.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

- (iii) The Company already has a Code of Conduct in position for Management Cadre Staff (including Executive Directors). In terms of the Clause 49 of the Listing Agreement and contemporary practices of good corporate governance, the Board has laid down a code of conduct for all Board Members and Senior Management of the Company and the same is available on the website (www.umangdairies.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said code. This report contains a declaration to this effect signed by Director.

3. **Audit Committee:** Terms of Reference of the Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Committee presently consists of Shri R.C. Jain (Chairman), Shri R.L. Saha and Shri R.C. Periwal, as members. The Composition of the Committee is in conformity with Clause 49 II (A) of the Listing Agreement. Four meetings of the Audit Committee were held during the year 2009-10 as detailed hereunder:

Director	Category	No. of Board Meetings attended during 2009-10	Whether attended last A.G.M. (16.09.2009)	No. of other Directorships and Committee Memberships/ Chairmanships		
				Other Directorships*	Other Committee Memberships **	Other Committee Chairmanships **
Shri D.B. Doda	Non-Executive Non-Independent	2	No	-	-	-
Shri R.C. Jain	Non-Executive Independent	5	Yes	-	-	-
Shri R.C. Periwal	Non-Executive Non-Independent	5	Yes	-	-	-
Shri R.L. Saha	Non- Executive Independent	5	Yes	-	-	-

* excludes Directorships in Private Ltd. Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section 25 Companies.

** only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

Dates of meetings	No. of members attended
27 th May 2009	3
30 th July 2009	3
31 st October 2009	3
28 th January 2010	3

The Manager regularly attends the Committee meeting and Company Secretary acts as Secretary of the Committee. All the Committee meetings were attended by the Statutory Auditor.

4. Remuneration Paid to the Directors: Details of remuneration paid during the year 2009-10:

The Non - Executive Directors were paid sitting fees of Rs.750/- for each meeting of the Board and Rs.500/- for each meeting of Audit Committee and Shareholders/ Investors Grievance Committee of the Directors attended by them and the Company has paid Rs.24,750/- towards sitting fees to them during the year 2009-10.

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

Number of Equity Shares held by Non-Executive Directors: Shri D.B. Doda (50 Equity Shares) and Shri R.C. Jain (100 Equity Shares)

5. Shareholders/ Investors Grievance Committee: The Committee presently consists of three Directors, namely Shri R.C. Periwal, Shri R.C. Jain and Shri R.L. Saha, The Composition of the Committee is in conformity with Clause 49 IV (G) (iii) of the Listing Agreement. Four meetings of the said Committee were held during the year 2009-10 as detailed hereunder:

Dates of meetings	No. of members attended
27 th May 2009	3
30 th July 2009	3
31 st October 2009	3
28 th January 2010	3

Ms. Shuchi Sharma, Company Secretary, is the Compliance Officer.

During the year ended 31st March 2010, 4 complaints

were received, all of which were redressed to the satisfaction of the shareholders. The Board has delegated the power of share transfer to a Committee of Directors and the share transfer formalities are attended to as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares.

6. General Body Meetings:

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

Year	Location	Date	Time
2006-2007	Umang Dairies Limited Gajraula – Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar, U.P. – 244 235	27.08.2007	12.30 P.M.
2007-2008	Same as above	19.09.2008	12.30 P.M.
2008-2009	Same as above	16.09.2009	12.30 P.M.

(i) No Special Resolutions were required to be put through postal ballot last year. No Special Resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

(iii) No Special Resolutions were passed in previous 3 Annual General Meetings.

7. Disclosures: Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

None

Suitable disclosure as required by Accounting Standard (AS-18) – Related Party Disclosures, has been made in the Annual Report.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital market, during the last three years:

None

The Company has strengthened its risk management system and has laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

UMANG DAIRIES LIMITED



8. Means of Communication: Quarterly and annual financial results are normally published in English Newspaper "Business Standard" all India editions and Business Standard, Lucknow Edition in Hindi and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the web-site of the Company "www.umangdairies.com". "Management Discussion & Analysis" forms part of the Annual Report.

9. General Shareholders' Information:

(i) Annual General Meeting:

- (a) Date and Time : Tuesday, 31st August 2010 at 12.00 Noon
Venue : Gajraula-Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar, U.P.- 244 235
- (b) As required under clause 49IV(G)(i), a brief resume and other particulars of the Directors retiring by rotation at the aforesaid AGM and seeking re-appointment are given in the notes to the Notice convening the said Meeting.

(ii) Book Closure: 17th August 2010 to 31st August 2010 (both days inclusive)

(iii) Dividend Payment Date: Not Applicable

(iv) Financial Calendar (Tentative):

Year ending	March 31
Annual General Meeting for the year ending	Between June and September, 2011
March 31, 2011	2011

(v) Listing of Equity Shares on Stock Exchanges (Including Security Code):

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. (BSE).

One crore equity shares having nominal/paid up value of Rs. 5/- each were issued to the promoters of the Company by the Board of Directors in their meeting held on 28/01/10, pursuant to the order dated 03/08/2009 of BIFR sanctioning the Rehabilitation scheme of the Company. The Company has already applied for the listing of the abovesaid one crore equity shares to BSE and the matter is under consideration of BSE.

The Equity Shares of the Company has been delisted voluntarily from the Uttar Pradesh Stock Exchange Association Limited and from the Calcutta Stock Exchange Limited.

The Company had already paid annual Listing Fees for the Financial Year 2010-2011 to the Bombay Stock Exchange Ltd., Mumbai.

Security Code for Company's Equity shares on Bombay Stock Exchange Ltd. (500231).

(vi) Stock Market Price Data and Share Performance:

Monthly high and low quotations at BSE during

2009-2010 are given in the table below:

Months	Stock Exchange, Mumbai (BSE) (Rs.)	BSE Sensex
	High Low	Close
2009		
April	4.84 3.81	11403.25
May	6.17 4.23	14625.25
June	7.16 5.11	14493.84
July	6.60 4.87	15670.31
August	10.97 5.68	15666.64
September	13.23 9.00	17126.84
October	10.20 8.50	15896.28
November	— —	16926.22
December	37.30 14.50	17464.81
2010		
January	26.50 21.55	16357.96
February	25.00 15.65	16429.55
March	25.50 18.30	17527.77

(Source: www.bseindia.com)

(vii) Share Transfer System:

The transfer / transmission of shares in physical form is normally processed and completed within a period of 15-20 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

(viii) Distribution of shareholding as on March 31, 2010:

No. of Equity Shares held	Shareholders		Shares held	
	Number	%	Number	%
1 to 1000	19670	97.33	2920515	13.27
1001 to 10000	490	2.42	1325358	6.02
10001 to 20000	25	0.13	358399	1.64
Over 20000	24	0.12	17398928	79.07
Total	20209	100.00	22003200	100.00

(ix) Dematerialisation of shares and liquidity:

The Equity Shares of the Company are presently tradeable in compulsory demat segment. The ISIN No. for Equity Shares of the Company for both the depositories (NSDL and CDSL) is INE864B01027. As on 31st March 2010, 47.23% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in electronic form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders

have opened their Demat Account. The Company will not be in a position to process such requests.

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

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

(xi) **Plant Location:**

Umang Dairies Limited

Gajraula- Hasanpur Road, Gajraula,
Distt. Jyotiba Phule Nagar, U.P. - 244 235

(xii) **Address for Correspondence:**

1. Registrar & Share Transfer Agents:

MAS Services Ltd.
T-34, IIInd Floor. Okhla Industrial Area, Phase – II
New Delhi – 110 020, Ph. 011-26387281/82
E-mail: mas_serv@yahoo.com

2. Company Secretary

Umang Dairies Limited
3rd Floor, Gulab Bhawan, 6A, Bahadur Shah Zafar
Marg, New Delhi – 110 002, Ph. 011-23311112-5
E-mail: umang@jkmil.com

(xii) **Exclusive e-mail ID for redressal of investors complaints:**

In compliance of Clause 47(f) of the Listing Agreement, "sharesumang@jkmil.com" is the e-mail ID exclusively for the purpose of registering complaints by investors.

10. Code for Prevention of Insider Trading:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Board of Directors of the Company has adopted a Code of Conduct for Prevention of Insider Trading in the securities of the Company by its employees in terms of Schedule I to the said Regulations.

11. Declaration:

It is hereby declared that all the members of the Board and Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of Umang Dairies Limited" during the Financial Year ended 31st March 2010.

R.C. Periwal
Director

Disclosure of names of persons constituting group in relation to Umang Dairies Limited pursuant to Regulation 3 (1) (e) (i) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997.

JK Lakshmi Cement Limited, JK Tyre & Industries Ltd., JK Paper Ltd., Fenner (India) Ltd., JK Agri Genetics Ltd., BMF Investments Ltd., Florence Alumina Ltd., JK Sugar Ltd., Bengal & Assam Company Ltd., Nav Bharat Vanijya Ltd., Juggilal Kamalapat Udyog Ltd., Param Shubham Vanijya Ltd., J.K. Credit & Finance Ltd., Pranav Investment (M.P.) Company Ltd., Southern Spinners and Processors Ltd., Modern Cotton Yarn Spinners Ltd., Hansdeep Industries and Trading Company Ltd., Bhopal Udyog Ltd., Accurate Finman Services Ltd., Sago Trading Ltd., Dwarkesh Energy Ltd., Saptrishi Consultancy Services Ltd., JK Enviro-Tech Ltd., Songadh Infrastructure & Housing Ltd., Jaykaypur Infrastructure & Housing Ltd., J.K. Risk Managers & Insurance Brokers Ltd., JK Plant Bio- Sciences Research Ltd., Natext BioSciences Pvt. Ltd., Panchmahal Properties Ltd., Acorn Engineering Ltd., Elate Builders Pvt. Ltd., LVP Foods Pvt. Ltd., CliniRx Research Pvt. Ltd., Rouncy Trading Pvt. Ltd., M/s. Habras International, M/s Juggilal Kamalapat Lakshmipat and Directors of the promoter group and their relatives.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To
The Members of Umang Dairies Limited

We have examined the compliance of conditions of Corporate Governance by Umang Dairies Limited during the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For LODHA & CO.,
Chartered Accountants
(N.K. LODHA)
Partner

Place : New Delhi
Date : 28.05.2010

Firm Registration No. 301051E
Membership No. 85155

UMANG DAIRIES LIMITED



AUDITORS' REPORT

To the Members of UMANG DAIRIES LIMITED

We have audited the attached Balance Sheet of UMANG DAIRIES LIMITED, as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a) We have 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this

report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e) As per the information and explanations given to us, none of the Directors of the Company is disqualified as on 31st March 2010 from being appointed as a director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956. *However, all Directors of the Company are disqualified to be appointed as Director in any other public Company;*
- f) Attention is invited to:
 - i. Note No. B7 of Schedule 16 regarding preparation of accounts on the basis of "Going Concern Concept" despite negative network.
 - ii. Note No. B13 of Schedule 16 regarding management perception about recoverable amount of fixed assets of the Company being more than carrying amount as stated in said note.
- g) *Attention is further invited to Note no. B16 of Schedule 16 regarding certain balances of debtors, loans & advances and current liabilities (including advance from customers) and secured loans are in the process of confirmation/reconciliation as stated in said note (impact unascertained).*

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For LODHA & CO.
Chartered Accountants
(N.K. LODHA)
Partner

Place : New Delhi
Date : 28th May 2010

Firm Registration No. - 301051E
(Membership No. 85155)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date of Umang Dairies Limited for the year ended 31st March 2010)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the Management according to a phased programme 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 the nature of its Fixed Assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information and explanations given to us, Fixed Assets disposed off during the year were not substantial.
- ii. (a) The inventory of the Company (except stocks lying with third parties and in transit), has been physically verified by the Management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. (In respect of stock in process, records are updated on physical verification of stock on periodical basis). The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties as covered in the register maintained u/s 301 of the Act. Accordingly, the provisions of clause 4(iii) (b) to (d), (f) & (g) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is internal control system commensurate with the size of the Company and the nature of its business (read with note No. 5 of Schedule 16B) for purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit,

we have not observed any continuing failure to correct major weaknesses in internal control system.

- v. According to the information and explanations provided by the management and based upon audit procedures performed, there are no contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the Act. Accordingly provisions of clause 4(v)(b) of the order are not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA and rules framed thereunder and the directives issued by Reserve Bank of India and other relevant provision of the Act. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the books of accounts required to be maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act in respect of the Company's product to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other material Statutory dues to the extent applicable with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2010 *except Sales Tax of Rs. 2,33,677 and Mandi tax Rs. 6,23,000*.
- (b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Service Tax, Custom Duty, Wealth Tax

UMANG DAIRIES LIMITED



and Excise Duty that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Sales Tax and Cess that have not been deposited with the appropriate authorities on account of dispute and the Forum where the dispute is pending are given below:

Name of Statute	Nature of the dues	Amount (Rs./Lacs)	Period	Forum where dispute is pending
Sales Tax Act	Sales Tax Demand/ Penalty Interest	1.78	1994-1995/ 1998-2000	Sales Tax Tribunal
		83.95	1995-2007	Appellate Authorities
		3.00	1995-1996	High Court
UP Krishi Utpadan Mandi Samiti Adhiniyam* 1964	Market Fees including Development Cess	162.89	1998-1999/ 2005-2006	Tribunal
UP Milk Act	Cess on Milk	69.25	1994-1996	High Court

- x. *The Company's accumulated losses at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the current financial year (without considering impact of Rehabilitation Scheme refer note no. B1 of schedule 16) and also in the immediately preceding financial year.*
- xi. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in re-payment of dues to Banks, Financial Institutions and Debenture Holders in view of Rehabilitation Scheme as stated in note no. B1 of Schedule 16.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society, therefore, the provision of clause 4 (xiii) of the said order are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. On the basis of information and explanations given to us, the Company has not availed any term loans during the year read with note no B1 of Schedule 16.
- xvii. On the basis of information and explanations given to us and on an overall examination of financial statements, we are of the opinion that, *prima facie*, no funds raised on short term basis have been used for long term investment other than as stated at note no. B14 of Schedule 16.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Act during the year.
- xix. Based on the examination of the documents and records made available and information and explanations given to us, the Company has not issued any debentures during the year, this is to be read with note no B1 of Schedule 16.
- xx. The Company has not raised money through public issue during the year.
- xxi. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit nor we have been informed about any such instance.

For LODHA & CO.
Chartered Accountants
(N.K. LODHA)
Partner

Place : New Delhi
Date : 28th May 2010

Firm Registration No. - 301051E
(Membership No. 85155)

BALANCE SHEET

As at 31st March, 2010

(Rs. in Lacs)

	Schedule	31st March 2010	31st March 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	1459.16	1559.32
Loans			
Secured	2	898.72	1978.34
Unsecured	3	193.00	193.00
		<u>1091.72</u>	<u>2171.34</u>
Total		<u>2550.88</u>	<u>3730.66</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		3804.84	2863.25
Less : Depreciation		<u>1927.34</u>	<u>1788.44</u>
Net Block		1877.50	1074.81
Capital Work in Progress (including Advances)		<u>4.23</u>	<u>543.40</u>
	4	<u>1881.73</u>	<u>1618.21</u>
Current Assets, Loans and Advances			
Inventories	5	749.58	360.40
Sundry Debtors	6	146.15	88.23
Cash and Bank Balances	7	42.97	79.51
Loans and Advances	8	<u>204.62</u>	<u>182.47</u>
		1143.32	710.61
Less : Current Liabilities and Provisions	9	<u>2531.48</u>	<u>1797.24</u>
Net Current Assets		<u>(1388.16)</u>	<u>(1086.63)</u>
Profit and Loss Account		2057.31	3199.08
(Balance as per Annexed Profit & Loss Account)		<u>2057.31</u>	<u>3199.08</u>
Total		<u>2550.88</u>	<u>3730.66</u>

Notes on Accounts

16

Schedules 1 to 9 and 16 attached to the Balance Sheet are an integral part thereof.

As per our report of even date.

for LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

New Delhi : 28.05.2010

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors

UMANG DAIRIES LIMITED



PROFIT AND LOSS ACCOUNT For the year ended 31st March, 2010

(Rs.in Lacs)

	Schedule	2009-2010	2008-2009
INCOME			
Sales		4624.58	3212.94
Other Income	10	436.46	131.43
		5061.04	3344.37
Increase/(Decrease) in Stocks	11	356.91	(118.63)
		5417.95	3225.74
EXPENDITURE			
Manufacturing Expenses	12	4953.18	2945.63
Employees	13	287.59	196.93
Other Expenses	14	205.01	180.62
		5445.78	3323.18
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION AND AMORTIZATION		(27.83)	(97.44)
Cost of Borrowings	15	30.43	25.52
PROFIT/(LOSS) BEFORE DEPRECIATION AND AMORTIZATION		(58.26)	(122.96)
Depreciation		144.12	127.46
PROFIT/(LOSS) BEFORE TAX		(202.38)	(250.42)
Fringe Benefit Tax		0.00	2.99
PROFIT/(LOSS) AFTER TAX & BEFORE EXTRA ORDINARY ITEMS		(202.38)	(253.41)
Extra ordinary items (Refer note no. B.1 of Schedule 16)		743.99	0.00
Prorata Premium on Preference Shares		0.00	3.78
PROFIT/(LOSS) AFTER TAX & EXTRA ORDINARY ITEMS		541.61	(257.19)
(Deficit) from Previous Year		(3199.08)	(2941.89)
Reduction in Equity Share Capital (Refer note no. B.1 of Schedule 16)		600.16	
(Deficit) carried to Balance Sheet		(2057.31)	(3199.08)
Basic and Diluted Earning Per Share (EPS) (Rs.)-refer note no. B.17 of Schedule 16			
- Before Extra Ordinary Items		(0.92)	(1.51)
- After Extra Ordinary items		2.46	(1.51)

Notes on Accounts

16

Schedules 10 to 15 and 16 attached to the Profit and Loss Account are an integral part thereof.

This is the Profit and Loss Account referred to in our report of even date.

for LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

New Delhi : 28.05.2010

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors

(Rs. in Lacs)

31st March
201031st March
2009**Schedule 1
SHARE CAPITAL****Authorised :**

3,00,00,000 (Previous year 1,50,00,000) Equity Shares of Rs. 5 each (Previous Year Rs. 10 each)	1500.00	1500.00
6,00,000 Redeemable Preference Shares of Rs. 100 each	600.00	600.00
	2100.00	2100.00

Issued, Subscribed and Paid-up :

2,20,03,200 Equity Shares (Previous Year 1,20,03,200) of Rs. 5 each (Previous Year Rs. 10 each)	1100.16	1200.32
Pursuant to Rehabilitation Scheme sanctioned by Hon'ble BIFR vide its order dated 03.08.2009; paid up value of Equity Shares has reduced from Rs. 10/- per share to Rs. 5/- per share.		
3,59,000 Redeemable Preference Shares of Rs. 100 each	359.00	359.00
	1459.16	1559.32

Pursuant to Rehabilitation Scheme having become effective:

- (a) Authorised equity share capital - 3,00,00,000 nos. of Rs.5 each.
- (b) The existing paid up value of equity share has been reduced from Rs. 10/- to Rs. 5/-. Further, 100 lacs new equity shares of Rs. 5/- each, fully paid up, aggregating to Rs. 500 lacs has been allotted during the year. Read with note no. B.1 & B.2 of Schedule 16
- (c) Zero Coupon Preference Shares were redeemable at a premium of Rs. 50/- each after 5 years from the respective date of allotment i.e. 20-10-01 (For 2,08,000 Preference Shares) and 30-06-03 (For 1,51,000 Preference Shares). The redemption period of these pref. Shares has been extended for a further period of 10 years from the due dates of redemption i.e. redeemable on 20.10.2016 (for 2,08,000 Preference Shares) and on 30.06.2018 (for 1,51,000 Preference Shares) and the same will be redeemed out of reserves available to the Company)

Schedule 2**SECURED LOANS @**

15% Partly Convertible Debentures (PCD) * (Non-convertible portion)	-	621.28
18.5% Non-Convertible Debentures (NCD) *	-	101.18
15% Non-Convertible Debentures (NCD) *	-	160.04
Advance against Non Convertible Debentures (NCD) *	-	632.65
Term Loan		
- Banks	-	399.04
- Body Corporates	785.00	-
Housing Loan	113.72	64.14
	898.72	1978.34

* Extinguished

@ Refer note no. B.1 of Schedule 16

UMANG DAIRIES LIMITED



(Rs.in Lacs)

**31st March
2010**

31st March
2009

Notes:

- Housing loan from GIC {including interest Rs. 56.95 Lacs (Net of TDS)} is secured by way of Mortgage on specified dwelling units and land.
- Loan from a Body Corporate (Group Company) of Rs. 745 lacs is secured /to be secured by a first Charge on the fixed assets of the factory located at Gajraula.
- Loan from a Body Corporate {Lazard Asset Management Ltd.(LAZARD)} is secured by pari passu charge by way of Mortgage on all immovable assets of the Company (both present and future) except immovable assets mortgaged to GIC and hypothecation of Movable (save & except book debts).
- Charges in respect of Debentures, Term Loans and working capital facilities from banks availed in earlier years are in process of satisfaction and /or modification.
- Term Loan repayable during one year Rs. 140.00 lacs

Schedule 3

UNSECURED LOANS

- Unsecured from Bodies Corporate

193.00

193.00

193.00

193.00

Schedule 4

FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2009	Additions	Sales/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the Year	Sales/ Adjustments	To Date	As at 31.03.2010	As at 31.03.2009
Land	35.83	0.00	0.00	35.83	0.00	0.00	0.00	0.00	35.83	35.83
Buildings	764.81	936.74	0.00	1701.55	289.16	37.88	0.00	327.04	1374.51	475.65
Plant and Machinery	1959.54	1.60	0.24	1960.90	1413.98	103.04	0.17	1516.85	444.05	545.56
Furniture & Fixtures	38.14	0.07	0.30	37.91	33.42	1.14	0.21	34.35	3.56	4.72
Office Equipments	58.61	1.73	4.17	56.17	49.71	1.23	3.86	47.08	9.09	8.90
Vehicles	6.32	7.19	1.03	12.48	2.17	0.83	0.98	2.02	10.46	4.15
Total	2863.25	947.33	5.74	3804.84	1788.44	144.12	5.22	1927.34	1877.50	1074.81
Previous Year	2876.35	0.89	13.99	2863.25	1670.50	127.46	9.52	1788.44	1074.81	1205.85
Capital Work In Progress * (including advances)	543.40	4.23	543.40	4.23	0.00	0.00	0.00	0.00	4.23	543.40

* Includes advances of Rs. 4.23 Lacs (Previous year Rs. 25.18 Lacs) and preoperative expenses (refer note no. B.14 of Schedule 16)

(Rs. in Lacs)

Schedule 5

INVENTORIES

(As certified by the Management)

Raw materials

Stores, Spares and Packing material

Finished Goods

Stock-in-Process

**31st March
2010**

31st March
2009

10.54

3.83

138.88

113.32

546.05

234.76

54.11

8.49

749.58

360.40

(Rs.in Lacs)

	31st March 2010	31st March 2009
Schedule 6		
SUNDRY DEBTORS		
(Unsecured, considered good; unless otherwise stated)		
Exceeding six months	3.97	7.31
Other Debts	146.15	84.89
	150.12	92.20
Less: Provisions for Doubtful Debts	3.97	3.97
	146.15	88.23
Schedule 7		
CASH AND BANK BALANCES		
Cash on hand	20.08	10.11
Remittance in Transit/Cheque in Hand	-	6.00
Balance in Current Accounts with Scheduled Banks	16.81	55.84
Others (Prathma Bank- Maximum amount outstanding during the year Rs. 12.87 lacs and previous year Rs.30.98 lacs)	0.39	1.87
Fixed Deposits	5.69	5.69
Rs. 4.69 lacs(Previous year Rs.4.69 lacs) pledged with Banks against Bank Guarantee		
Rs. 1.00 lac(Previous year Rs.1.00 Lac) pledged with Moradabad Development Authority	42.97	79.51
Schedule 8		
LOANS AND ADVANCES		
(Unsecured, considered good; unless otherwise stated)		
Deposits with Government Authorities and others	42.12	50.61
Advances recoverable in cash or in kind or for value to be received	130.10	110.89
Income Tax Advance payment (TDS)	32.40	20.97
	204.62	182.47
Schedule 9		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES :		
Sundry Creditors *	438.58	296.23
Other liabilities	2050.26	1284.91
Investor Education & Protection Fund shall be credited by the following amounts, when due:-		
(a) Unpaid matured debentures	-	0.98
(b) Interest accrued on (a)	-	0.24
Total (A)	2488.84	1582.36
* Refer note no.B.5 of Schedule 16.		
B. PROVISIONS :		
For Retirement Benefits	42.64	35.38
For Premium on Redemption of Preference Shares *	-	179.50
Total (B)	42.64	214.88
Total (A+B)	2531.48	1797.24

* Written off (Refer note no. B.1 of schedule 16)

UMANG DAIRIES LIMITED



	(Rs.in Lacs)	
	2009-2010	2008-2009
Schedule 10		
OTHER INCOME		
Interest on Deposit (TDS Rs 0.42 lacs Previous year Rs.0.44 lacs)	3.04	2.57
Profit on sale of Fixed Assets	0.25	2.87
Excess Provision of earlier years no longer required(net)	0.00	0.67
Provision for Doubtful Debts Written Back	0.00	5.00
Balances written back (net)	0.47	2.50
Conversion/Job charges	407.43	105.75
Miscellaneous income	25.27	12.07
	436.46	131.43
Schedule 11		
INCREASE/(DECREASE) IN STOCKS		
Opening Stocks		
Stock-in-process	8.49	26.78
Finished Goods	234.76	335.10
	243.25	361.88
Closing Stocks		
Stock-in-process	54.11	8.49
Finished Goods	546.05	234.76
	600.16	243.25
Increase/(Decrease) in Stocks	356.91	(118.63)
Schedule 12		
MANUFACTURING EXPENSES		
Raw materials consumed	4380.42	2668.61
Consumption of Stores and Spares	189.08	114.80
Power, Fuel and Water	365.91	156.37
Repairs to Machinery	15.05	4.78
Repairs to Buildings	2.72	1.07
	4953.18	2945.63
Schedule 13		
EMPLOYEES		
Salaries, Wages, Bonus, Gratuity, etc.	263.83	181.32
Contribution to Provident and other Funds	16.73	11.98
Employees' Welfare and other benefits	7.03	3.63
	287.59	196.93
Schedule 14		
OTHER EXPENSES		
Insurance	4.18	3.16
Rent	5.53	5.62
Freight and Forwarding charges	51.30	47.72
Directors' Fee	0.25	0.29
Rates and Taxes	12.65	8.50
Travelling & Conveyance	15.81	13.01
Advertisement and Sales promotion	1.74	2.44
Brokerage and Commission	31.39	21.62
Loss on sale of Fixed Assets	0.33	0.77
Miscellaneous expenses	81.83	77.49
	205.01	180.62

(Rs.in Lacs)

2009-2010**2008-2009****Schedule 15****COST OF BORROWINGS**

Interest on:

Loans	27.88	23.16
Others	2.55	2.36
	<u>30.43</u>	<u>25.52</u>

Schedule 16**NOTES ON ACCOUNTS****A. Significant Accounting Policies**

- The financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. Accounting Policies are consistent with the Generally Accepted Accounting Principles.
- Fixed Assets are stated at cost of acquisition/purchase.
- Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.
- Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Continuous process plants as defined in Schedule XIV have been considered on the basis of technical evaluation.
- Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of transactions. Assets and Liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the year. Increase / decrease arising in respect there of are adjusted in the Profit and Loss Account. Premium/discount in respect of forward contracts is recognised over the life of the Contracts.
- Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Cost for the purpose of Finished Goods and Process Stock is determined considering material, labour and related overheads.
- Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing costs are charged to P&L Account.
- Revenue Expenditure on Research and Development is charged to Profit & Loss Account and Capital Expenditure is added to cost of Fixed Assets.
- Employee Benefits
 - Defined Contribution Plan:
Employee benefits in the form of Provident Fund, ESI are considered as defined contribution plan and the contributions are recognised in the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective authorities.
 - Defined Benefit Plan:
Retirement benefits in the form of Gratuity, Leave Encashment and PF (funded) are considered as defined benefit obligations and are provided for on the basis of actuarial valuation determined using the projected unit credit method, as at the date of the balance sheet. Actuarial gains/losses are immediately recognised in the Profit and Loss Account.
 - Short-term compensated absences are provided based on past experience of leave availed.
- An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the profit and loss account when an asset is identified as impaired. Reversal of impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exists or has decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- Provision in respect of present obligation arising out of past events is made in Accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities (if material) are disclosed by way of Notes to Accounts. Contingent Assets are neither recognised nor disclosed in Financial Statements but are included, if any, in the Director's Report.

UMANG DAIRIES LIMITED



Schedule 16 (Contd...)

12. Current Tax is the amount of Tax payable on the estimated taxable income for the current year as per the Provision of Income Tax Act, 1961. Deferred Tax Assets and liabilities are recognised for timing differences in respect of current year and prospective years. Deferred Tax Asset is recognised on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realised.

B. Notes on Accounts

1. Pursuant to Rehabilitation Scheme (The Scheme) sanctioned by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 03.08.2009 becoming effective from the cut off date i.e. 01.10.2008:
 - a) (i) Paid up value of equity shares have been reduced from Rs. 10/- to Rs. 5/- resulting in capital reduction aggregating to Rs. 600.16 lacs. Further face value of equity shares (paid up capital) have been reduced from Rs. 10/- to Rs. 5/- (per share). Rs. 600.16 lacs on reduction of equity share capital has been adjusted against debit balance of the Profit & Loss Account. (ii) provision for Preference Share Premium amounting to Rs. 179.50 lacs has been written back and loan liability {net of interest cost up to cut off date amounting to Rs. 217.42 lacs pertaining to previous periods} aggregating to Rs. 564.49 lacs has been subsidised (including extinguishment of debentures). The Company is in process of getting NOC from debenture trustee. Accordingly Rs. 743.99 lacs have been shown as 'Extra Ordinary Items' in the Profit & Loss Account.
 - b) Liability of Housing loan from GIC and LAZARD (which is not traceable) has been recognized to the extent and in terms of BIFR order. GIC has not agreed with the order of BIFR and has filed appeal before the Hon'ble AAIFR, which is pending adjudication; impact, if any, on this account will be considered on final resolution.
 - c) Uttar Pradesh State Govt. to extend sales tax exemption period for the balance amount of Rs. 1465.08 lacs (being difference between Rs. 2722.12 lacs and Rs 1257.04 lacs), allow concessions as per UP State Govt. Policy Guidelines for Sick Industrial Units, exempt from the applicability of minimum demand charges of electricity, electricity duty etc; for a period of 7 years from the cut off date. Pending necessary approval from UP State Govt., no impact of the same has been considered in these accounts.
 - d) Out of remaining loan liability (after subsidence as above) of Rs. 1294.63 lacs, 100 lacs new equity shares of Rs.5/- each, fully paid up, aggregating to Rs. 500 lacs to the promoter group companies are to be issued and allotted and balance amount has been shown as Term Loan.
2. The Board of Directors of the Company has allotted on 28.01.2010, 100 lacs new equity shares of Rs.5/- each, fully paid up, aggregating to Rs. 500 lacs to the promoter group companies in compliance with the aforesaid BIFR Order (becoming effective from the cut off date i.e. 01.10.2008). Accordingly, the paid up equity share capital has become Rs. 1100.16 lacs. Consequently the basic and diluted EPS and number of shares described above have been computed for the current year and recomputed for the previous year.
3. Contingent liabilities in respect of claims disputed/not accepted and not provided for is Rs.351.39 lacs as certified by the management (previous year Rs.396.80 lacs). Details thereof are, Sales tax Rs.97.09 lacs (previous year Rs. 136.27 lacs), Mandi fee (U.P.) Rs.181.66 lacs (previous year Rs. 187.89 lacs), Milk Cess (U.P.) Rs. 69.25 lacs (previous year Rs. 69.25 lacs) and Income tax Rs. 3.39 lacs (previous year Rs.3.39 lacs). Interest impact on above, if any, will be considered as and when arise.
4. In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.
5. The Company is in the process of compiling the additional information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The management is currently in the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such micro, small and medium enterprises as at 31st March 2010 (including interest paid/ payable, if any to them) has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
6. Research and Development expenditure amounting to Rs. 0.21 lacs (previous year Rs. 0.15 lacs) has been debited to Profit and Loss account.
7. The Accounts have been prepared on the basis of 'Going Concern Concept' despite negative net worth as on 31.03.2010 in view of Rehabilitation Scheme sanctioned by the Board for Industrial and Financial Reconstruction and management is confident about positive business results in near future.

Schedule 16 (Contd...)

8. EMPLOYEE BENEFITS:

(a) The status of the gratuity and leave encashment as per actuarial valuation on March 31, 2010 is as follows:

(Rs. in lacs)

		For the year ended 31st March 2010		For the year ended 31st March 2009	
		Gratuity (Non- Funded)	Leave Encashment (Non- Funded)	Gratuity (Non- Funded)	Leave Encashment (Non- Funded)
I	Expense recognized in the statement of Profit and Loss				
a)	Current service cost	3.89	4.31	2.92	2.72
b)	Interest cost	1.62	0.86	1.43	0.66
c)	Net actuarial (gain)/ loss recognized in the period	0.54	1.71	1.78	1.96
d)	Expenses recognized in the statement of profit & losses	6.04	6.87	6.13	5.34
II	Net Asset/(Liability) recognized in the Balance Sheet as at March 31, 2010				
a)	Present value of obligation as at the end of the period	26.96	15.68	23.16	12.22
b)	Net Asset/(Liability) recognized in balance sheet	(26.96)	(15.68)	(23.16)	(12.22)
III	Change in present value of obligation				
a)	Present value of obligation as at the beginning of the period (01/04/2009)	23.16	12.22	20.35	9.39
b)	Interest cost	1.62	0.86	1.43	0.66
c)	Current service cost	3.89	4.31	2.92	2.72
d)	Benefits paid	(2.23)	(3.42)	(3.32)	(2.51)
e)	Actuarial (gain)/loss on obligation	0.54	1.71	1.78	1.96
f)	Present value of obligation as at the end of Period (31/03/2010)	26.96	15.68	23.16	12.22
IV	Changes in the fair value of plan assets	-	-	-	-
V	The Major Category of Plan assets as a percentage to total plan	N.A.	N.A.	N.A.	N.A.
VI	Actuarial Assumptions				
	Economic Assumptions:				
	Discounting Rate	7.00%		7.00%	
	Future salary Increase	5.00%		5.00%	
	Expected Rate of return on plan assets	-		-	
	Demographic Assumptions:				
	Retirement Age	58 Years		58 Years	
	Mortality Table	LIC (1994-96) duly modified		LIC (1994-96) duly modified	
	Withdrawal Rates				
	Age	Withdrawal Rate (%)		Withdrawal Rate (%)	
	Up to 30 Years	3.00		3.00	
	Up to 44 Years	2.00		2.00	
	Above 44 Years	1.00		1.00	

(b) (i) Defined Benefits Plans

Amounts recognised as an expense and included in Schedule 13: item "Salaries, Wages, Bonus, Gratuity etc." included Rs.6.04 lacs (previous year Rs. 6.13 lacs) for Gratuity & Rs. 6.87 lacs (previous year Rs. 5.34 lacs) for Leave encashment;

Item "Contribution to PF & other funds" is Rs. NIL Lacs (previous year Rs. 4.59 lacs) for PF (funded).

UMANG DAIRIES LIMITED



Schedule 16 (Contd...)

- (ii) Defined Contribution Plans
Amounts recognised as an expense and included in Schedule 13 "Contribution to PF & other funds" of profit & loss account is Rs. 16.73 lacs (previous year Rs. 7.39 lacs) and amount included in pre-operative expenses in note no. 14 herein below "Contribution to PF & other funds" is Rs. 0.62 lacs (Previous year Rs. 0.20 lacs).
- (c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) Contribution to PF Trust has been switched over to Contribution to Recognised Provident Fund w.e.f. 1st April 2009.
9. Since the Company has substantial carried forward business losses and unabsorbed depreciation, it is unlikely to have taxable profits in near future and hence it is not considered necessary to create deferred tax asset (net) in accordance with the Accounting Standard – 22 issued by the Institute of Chartered Accountants of India.
10. The Company has only one business segment, i.e., Dairy Products, hence segment reporting as defined in Accounting Standard – 17 is not applicable.
11. Balances Written Back under Other Income are net of balances written off amounting to Rs. 0.07 lacs (Previous year Rs. 0.18 Lacs).
12. Conversion charges under Other Income represent income on account of contract manufacturing activities undertaken during the year.
13. As stipulated in Accounting Standard on Impairment of Assets (AS -28), the Management has carried out review of the remaining useful lives of its Fixed Assets and its value in use. As the recoverable amount as per projections exceeds the carrying amount, no impairment has been provided for in the accounts.
14. (i) Addition to building (Previous year capital work in progress representing building under construction) includes Rs. 936.74 lacs being cost which under an agreement to transfer subject to BIFR Approval, pending which the cost to the extent of Rs. 887.00 lacs has been funded by the other party and included in "Other Liabilities".
- (ii) Capital Work-in Progress includes building under construction, advance to suppliers and pre-operative expenses pending capitalisation. Pre-operative expenses pending capitalization are as follows:

	2009-2010	(Rs. in Lacs) 2008-2009
Electricity & Power	15.37	1.84
Salaries & Wages	14.66	13.69
Contribution to Provident & Other Funds	0.62	0.20
Fees for Technical Assistance	0.56	2.99
Travelling & Conveyance	1.33	3.31
Fees & Subscription	10.00	-
Miscellaneous Expenses	3.44	2.23
	45.98	24.26
Add: Expenditure upto previous year	30.53	6.27
Transferred to Fixed Assets	76.51	30.53

15. Loans and Advances include loan to employees of Rs. 0.82 lacs (previous year Rs. 0.21 lacs in the ordinary course of business and as per service rules of the Company. Maximum amount outstanding during the year Rs. 1.00 lacs (previous year Rs. 1.16 lacs). There has been bad debts of Rs. NIL lacs out of Provision for Doubtful Debts (previous year Rs. 2.87 lacs)
16. Balances of certain Debtors, Loans & Advances and Current Liabilities (including Advance from Customers) and Secured Loans are in the process of confirmation/reconciliation.
17. Basic and Diluted Earnings per Share (Pursuant to Accounting Standard - 20):

	2009-2010	2008-2009
Surplus /(Deficit) for the year (Rs./Lacs)		
-Before Extra Ordinary Items	(202.38)	(257.19)
-After Extra Ordinary items	541.61	(257.19)
Weighted average number of equity shares (Nos.)	22003200	17003200
Nominal value of equity shares (Rs.)	5	5
Basic Earning per Share (Rs.)		
-Before Extra Ordinary Items	(0.92)	(1.51)
-After Extra Ordinary items	2.46	(1.51)
Diluted Earning per Share (Rs.)		
-Before Extra Ordinary Items	(0.92)	(1.51)
-After Extra Ordinary items	2.46	(1.51)

Refer note no. B 1 & 2 herein above.

Schedule 16 (Contd...)

18. Amount paid to Auditors:
(Including Service Tax)

		(Rs. in Lacs)
	2009-2010	2008-2009
Audit Fees	1.33	1.33
Tax Audit Fees	0.17	0.17
Other Services	0.38	0.34
Reimbursement of expenses	0.07	0.06
	1.95	1.90

19. As per Accounting Standard 18 "Related Party Disclosure" there is no related party identified during the year. Hence, there is no related party transaction during the year which needs to be disclosed.
20. Estimated amount of contracts remaining to be executed on capital account Rs. 12.67 lacs (previous year figure Rs.179.31 lacs),{ net of advances Rs.4.22 lacs (previous year Rs. 25.18 lacs)}.
21. Prior period expenses included in respective heads of accounts are interest Rs. 0.57 lacs (Previous year NIL), legal & professional exp. Rs. 1.31 lacs (Previous year NIL) and rates & taxes Rs. 6.23 lacs (Previous year NIL).
22. Particulars of Capacity, Production, Sales and Stock:
Installed Capacity : 3 Lac Litres of milk processing per day. Capacity for
(as certified by the Management) end products will vary depending on the product mix.

Particulars	Unit	Ghee#		Powders		Liquid Milk	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Op. Stock	MT	17.60	68.46	185.29	186.41	—	—
	Rs./Lacs	30.18	93.53	204.58	241.57	—	—
Production@	MT/KL	1020.12	297.59	1672.89	680.84	3191.83	10493.14*
Sales	MT/KL	888.03	348.45	1649.54	681.96	3191.83	10493.14
	Rs/Lacs	1850.41	556.19	2156.70	947.48	617.47	1709.27
Cl. Stock	MT	149.69	17.60	208.64	185.29	—	—
	Rs/Lacs	312.20	30.18	233.85	204.58	—	—

* Purchased during the year.

Ghee includes Butter.

@ Excluding contract manufacturing of Ghee and Butter 154.80 MT (previous year 135.60 MT), Powders NIL MT (Previous year 186.45 MT) and Liquid Milk 394.30 MT (Previous Year NIL).

23. Particulars of Raw Materials, Stores & Spares consumed:
- | | | | (Rs. in Lacs) |
|----------------------------------|-------------|------------------|------------------|
| | | 2009-2010 | 2008-2009 |
| Raw material (Indigenous – 100%) | | | |
| - Raw Milk | Lacs Litres | 225.46 | 165.00 |
| | Rs./Lacs | 4326.00 | 2637.14 |
| - Others | Rs./Lacs | 54.22 | 31.47 |
| Stores & Spares | | | |
| - Indigenous | Rs./Lacs | 189.08 | 111.02 |
| - Imported | Rs./Lacs | - | 3.78 |
24. Other Particulars:
Expenditure/Earnings in Foreign Currency
(a) Earnings in Foreign Currency
F.O.B. Value of exports **61.03** -
(b) C.I.F. Value of Imports:
Components and Spare Parts - 3.04

25. Previous Year figures have been re-grouped / rearranged / recast wherever necessary.

As per our report of even date.

for LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

New Delhi : 28.05.2010

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors

UMANG DAIRIES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs.in Lacs)

	2009-2010	2008-2009
A. Cash Flow from Operating Activities		
Net Loss(-) before taxation and extraordinary items	(202.38)	(250.42)
Adjustments for :		
Depreciation	144.12	127.46
Interest income	(3.04)	(2.57)
Balances Written back (Net)	0.47	2.50
Interest & Finance Charges	30.43	25.52
(Profit)/loss on sale of Fixed Assets (net)	0.08	(2.10)
Operating Profit before working capital changes	(30.32)	(99.61)
(Increase)/ Decrease in Inventories	(389.18)	95.39
(Increase) / Decrease in Trade and other Receivables	(66.77)	31.06
Increase/ (Decrease) in Trade and Other Payables	874.57	280.77
Cash Generated from Operations	388.30	307.61
Direct Tax paid	(11.43)	(2.99)
Net Cash from operating activities	376.87	304.62
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(369.53)	(290.88)
Proceeds from sale of Fixed Assets	0.44	6.57
Interest Received	1.24	2.57
Net Cash from Investing activities	(367.85)	(281.74)
C. Cash Flow from Financing Activities		
Repayment of Borrowings	(15.13)	-
Interest paid	(30.43)	(29.05)
Net Cash used in financing activities	(45.56)	(29.05)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(36.54)	(6.17)
Cash and Cash equivalents being Cash and Bank balances as at the beginning of the year	79.51	85.68
Cash and Cash equivalents being Cash and Bank balances as at the end of the year	42.97	79.51

Note:

- (1) The effect of Rehabilitation Scheme as given in Note no. B.1 & 2 of Schedule 16 is cash neutral and as such not considered in this Statement.
- (2) Previous year's figures have been regrouped / rearranged / recast wherever necessary.

for LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

New Delhi : 28.05.2010

Manager

Company Secretary

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT 1956

I.	Registration Details		
	Registration No.	20-14942	
	State Code	20	
II.	Capital Raised during the Year/Period		(Rs. in Thousands)
	(Please refer Note no. B. 1 & B. 2 of Schedule 16 - Notes on accounts)	31st March 2010	31st March 2009
	Public Issue	-	-
	Rights Issue	-	-
	Private Placement	-	-
III.	Position On Mobilisation and Deployment of Funds		
	Total Liabilities	508236	552790
	Total Assets	508236	552790
	SOURCE OF FUNDS		
	Paid-up Capital	145916	155932
	Reserves & Surplus	-	-
	Secured Loans	89872	197834
	Unsecured Loans	19300	19300
	APPLICATION OF FUNDS		
	Net Fixed Assets	188173	161821
	Investments	-	-
	Net Current Assets	(138816)	(108663)
	Miscellaneous Expenditure	-	-
	Accumulated Losses	205731	319908
IV.	PERFORMANCE OF THE COMPANY		
	Turnover including Other Incomes	506104	334437
	Total Expenditure	526342	359857
	Profit/(Loss) before Tax	(20238)	(25420)
	Profit/(Loss) after Tax	54161	(25719)
	Earning per Share (Rs.)	2.46	(1.51)
	Dividend Rate (%)	-	-
V.	GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)		
	Principal Product	Ghee	Powders
	Item Code No.	40500.03	040210.01 and 040229.09

New Delhi : 28.05.2010

Company Secretary

Manager

D.B. Doda
R. C. Jain
R. C. Periwal
R. L. Saha

Directors



UMANG DAIRIES LIMITED

Registered Office : Gajraula-Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar (U.P.)

ADMISSION SLIP

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

I hereby record my presence at the 17th Annual General Meeting of the Company being held at Gajraula-Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar, (U.P.) on Tuesday, the 31st August, 2010 at 12.00 Noon.

Name of the Member (in block letters)	
Name of the Proxy-holder/ Authorised representative* (in block letters)	

* Strike out whichever is not applicable.

Applicable for investors holding shares in dematerialised form.

Signature of the Member/Proxy/Authorised representative*

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

UMANG DAIRIES LIMITED

Registered Office : Gajraula-Hasanpur Road, Gajraula, Distt. Jyotiba Phule Nagar (U.P.)

PROXY FORM

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

I/We of
..... of
..... being member/members of Umang Dairies Limited hereby appoint
Shri/Smt./Km. of
or failing whom Shri/ Smt./Km. of
or failing whom Shri/Smt./Km. of
as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Tuesday, the 31st August, 2010 at 12.00 Noon and at any adjournment thereof.

Signed this day of 2010



Applicable for investors holding shares
in dematerialised form

Signature (s)

Affix
15 paise
Revenue
Stamp

Note : The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

BOOK - POST



IF UNDELIVERED PLEASE RETURN TO :
UMANG DAIRIES LIMITED
GULAB BHAWAN, 3RD FLOOR, 6A, BAHADUR SHAH ZAFAR MARG
NEW DELHI - 110 002