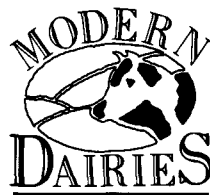


19th
ANNUAL
REPORT
2010-2011



MODERN DAIRIES LIMITED

BOARD OF DIRECTORS

Chairman (Non Executive)

Prof. Satish Kapoor

Dr. Bhupendra Nath Mathur

Dr. A.K. Vashisht

Mrs. Kalpana Gupta, Nominee Director

Mr. Ashwani Kumar Aggarwal, Executive Director

Dr. P. K. Jain, Director (Admn. & Milk Procurement)

COMPANY SECRETARY

Ms. Anubha Garg

AUDITORS

M/s. Walker, Chandio & Co.

Chartered Accountants

BANKERS

Punjab National Bank

State Bank of India

Canara Bank

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CORPORATE OFFICE

SCO 98-99, Sub City Centre,

Sector 34, Chandigarh-160 022, India

REGISTERED OFFICE & WORKS

136 KM, G.T. Road,

Karnal - 132 001 (Haryana)

REGISTRARS & SHARE TRANSFER AGENTS

M/s MCS Limited

F- 65, 1st Floor, Okhla Industrial Area

Phase I, New Delhi - 110 020

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of Modern Dairies Limited will be held at its Registered Office at 136 KM, G.T. Road, Karnal – 132 001 (Haryana) on Friday, the 30th September, 2011 at 11:00 a.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account of the Company for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Bhupendra Nath Mathur, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration. The retiring Auditors M/s. Walker, Chandio & Co., Chartered Accountants, are eligible for reappointment.

AS SPECIAL BUSINESS :

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT Dr. Pradeep Kumar Jain, who was appointed as Additional Director of the Company in terms of Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a Notice of intension u/s 257 of the Companies Act, 1956, from a shareholder signifying his intension of proposing the name of Dr. Pradeep Kumar Jain for appointment as Director, be and is hereby appointed as Director of the Company."

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269 & 309 read with schedule XIII

and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the consent & approval of the Company be and is hereby accorded to the appointment of Dr. Pradeep Kumar Jain, as Director (Admn. & Milk Procurement) of the Company as per the provisions of the Companies Act, 1956 and Articles of Association of the Company for a period of three years w.e.f. 20th May, 2011 on the remuneration and on such terms and conditions as set out in the explanatory statement attached to this notice, and as approved by the Remuneration Committee and the Board of Directors with the further liberty and authority to the Board to alter and vary such terms and conditions including remuneration as agreed to by the Board of Directors of the Company and Dr. Pradeep Kumar Jain subject to the conformity with the provisions of the Companies Act, 1956."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the consent & approval of the Company be and is hereby accorded to revision in the terms and conditions of appointment including remuneration of Mr. Ashwani Kumar Aggarwal."

"RESOLVED FURTHER THAT Mr. Ashwani Kumar Aggarwal shall be the Chief Executive Officer of the Company redesignated as Executive Director on the remuneration and on such terms and conditions as set out in the explanatory statement attached to this notice, and as approved by the Remuneration Committee and the Board of Directors with the further liberty and authority to the Board to alter and vary such terms and conditions including remuneration as agreed to by

the Board of Directors of the Company and Mr. Ashwani Kumar Aggarwal subject to the conformity with the provisions of the Companies Act, 1956".

By order of the Board

Place : Chandigarh
Dated: 13th August, 2011

Anubha Garg
Company Secretary

NOTES:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll) instead of himself/herself and the proxy need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed. A proxy so appointed shall not have any right to speak at the meeting.
- ii) The explanatory statement u/s 173(2) of the Companies Act, 1956, regarding item no. 4 to 6 of the notice is annexed hereto.
- iii) The Register of Members and share transfer books of the Company will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive) for Annual General Meeting purpose.
- (iv) Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their addresses, bank details, mandate etc., to their respective Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better services to the members.
- (v) Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March, 2011, may send their queries at least 10 days before the Annual General Meeting to the Company Secretary at Company's Office at SCO 98-99, Sub-City Centre, Sector 34,

Chandigarh - 160 022.

- (vi) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/reappointment at the Annual General Meeting, is annexed hereto.

By order of the Board

Place : Chandigarh
Dated: 13th August, 2011

Anubha Garg
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4 & 5

Dr. Pradeep Kumar Jain was co-opted as Additional Director designated as Director (Admn. & Milk Procurement) by the Board of Directors of the Company w.e.f. 20th May, 2011. In terms of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office upto the conclusion of 19th Annual General Meeting. A notice has been received from a shareholder u/s 257 of the Companies Act, 1956, signifying his intension of proposing the name of Dr. Pradeep Kumar Jain as Director of the Company.

Dr. Pradeep Kumar Jain, aged 61 years is a Veterinary Doctor and has got a special training in Milk Procurement Technical Inputs from N.D.D.B. Anand. He has about 40 years of experience especially in the field of Milk Procurement & Administration.

Your Board of Directors feel that his rich knowledge shall be highly beneficial to the Company and hence has appointed Dr. Pradeep Kumar Jain as Director (Admn. & Milk Procurement) of the Company for a period of three years w.e.f. 20th May, 2011. The Board of Directors while approving appointment of Dr. Pradeep Kumar Jain has also approved remuneration to him as such by way of salary & perquisites for a period of three years from the date of appointment as given herein below:-

1. SALARY:

₹ 1,00,000 (Rupees One Lac only) per month with such annual increments / increases as may be

decided by the Board of Directors from time to time.

2. PERQUISITES :

- i) House Rent Allowance: 40% of the salary per month.
- ii) Provident Fund: Contribution towards Superannuation Fund and Provident Fund shall be as per rules of the Company.
- iii) Gratuity: Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- iv) Leave: As per the rules of the Company.
- v) Medical Reimbursement: Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month salary, as per rules of the Company.
- vi) Club Fees: Fees in respect of two clubs.
- vii) Car: Free use of Company's car for official purposes along with driver.
- viii) Telephone / Telefax: Telephone, telefax and other communication facilities at Company's cost.
- ix) Insurance: Cost of insurance cover against the risk of any financial liability or loss because of any error of judgement, as may be approved by the Board of Directors from time to time.

3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the Director (Admn. & Milk Procurement) of the Company shall be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule XIII of the Companies Act, 1956, from time to time."

The explanatory statement together with the notice be also treated as an abstract of the terms of the Agreement and Memorandum of interest under Section 302 of the Companies

Act, 1956.

The Documents referred herewith and explanatory statement is open for inspection by any member at the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

Your Directors, therefore, recommend the resolution No. 4 & 5 for your approval.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Pradeep Kumar Jain himself is either concerned or interested in the aforesaid resolution.

ITEM NO. 6

Mr. Ashwani Kumar Aggarwal was appointed as Director (Operations) of the Company for a period of 3 years w.e.f. 16th November, 2009. Your Board of Directors in their meeting held on 20th May, 2011 appointed Mr. Ashwani Kumar Aggarwal as Chief Executive Officer of the Company redesignated as Executive Director of the Company for the remaining period of his tenure. Keeping in view his responsibilities, the Board of Directors also approved the following revised remuneration payable to him as such by way of salary & perquisites for the remaining period of his tenure.

1. SALARY:

₹ 1,15,000 (Rupees One Lac Fifteen Thousand only) per month with such annual increments / increases as may be decided by the Board of Directors from time to time.

2. PERQUISITES :

- i) House Rent Allowance: 40% of the salary per month.
- ii) Provident Fund: Contribution towards Superannuation Fund and Provident Fund shall be as per rules of the Company.
- iii) Gratuity: Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- iv) Leave: As per the rules of the Company.
- v) Medical Reimbursement: Reimbursement

of medical expenses incurred for self and family subject to a ceiling of one month salary, as per rules of the Company.

- vi) Club Fees: Fees in respect of two clubs.
- vii) Car: Free use of Company's car for official purposes along with driver.
- viii) Telephone / Telefax: Telephone, telefax and other communication facilities at Company's cost.
- ix) Insurance: Cost of insurance cover against the risk of any financial liability or loss because of any error of judgement, as may be approved by the Board of Directors from time to time.

3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the Executive Director of the Company shall be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule XIII of the Companies Act, 1956, from time to time."

The explanatory statement together with the notice be also treated as an abstract of the terms of the Agreement and Memorandum of interest under Section 302 of the Companies Act, 1956.

The Documents referred herewith and explanatory statement is open for inspection by any member at the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

Your Directors, therefore, recommend the resolution No. 6 for your approval.

MEMORANDUM OF INTEREST

None of the Directors except Mr. Ashwani Kumar Aggarwal himself is either concerned or interested in the aforesaid resolution.

By order of the Board

Place : Chandigarh
Dated: 13th August, 2011

Anubha Garg
Company Secretary

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 30TH SEPTEMBER, 2011 PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

1. Name of the Director : Dr. Bhupendra Nath Mathur

Date of Birth : 17.10.1943

Date of Appointment : 18.08.1993

Expertise in specific functional area : Dr. Mathur has over 40 years of experience in dairy field. He has served as Director of National Dairy Research Institute, Karnal and has retired as Director of National Academy of Agricultural Research and Management, Hyderabad. He possesses a vast experience in Management and Administration.

Qualification: PhD in Dairy Technology from NDRI, Karnal

List of outside Directorship held : Nil

Chairman/Member of the Committee of the Board of Directors of the Company:

Audit Committee	- Member
Remuneration Committee	- Chairman
Investors Grievances Committee	- Member

Chairman/Member of the Committee of Directors of other Companies : Nil

Holding in the Company: As on 31st March, 2011, Dr. Mathur holds Nil Equity Shares of the Company.

2. Name of the Director : Dr. Pradeep Kumar Jain

Date of Birth : 14.08.1950

Date of Appointment : 21.11.1998

Expertise in specific functional area : Dr. Jain has over 40 years experience especially in the field of Milk Procurement & Administration. He has worked with various reputed/large sized Dairy plants in Private, Co-operative and Multinational sectors.

Qualification : Bachelors degree in Veterinary Science & Animal Husbandry, Post Graduate Diploma in Management of Public Enterprises and Materials Management.

List of outside Directorship held :

- i) Modern Dairyfarms Limited
- ii) Nabha Finance Private Limited

Chairman/Member of the Committee of the Board of Directors of the Company:

Allotment Committee - Member

Chairman/Member of the Committee of Directors of other Companies : Nil

Holding in the Company : As on 31st March, 2011, Dr. Jain holds 800 Equity Shares of the Company.

3. Name of the Director : Mr. Ashwani Kumar Aggarwal

Date of Birth : 02.10.1954

Date of Appointment : 02.01.1993

Expertise in specific functional area: Mr. Aggarwal is a Dairy Technologist and has a long technical and commercial experience of more than three decades. He is widely traveled and has in depth knowledge of international dairy business.

Mr. Aggarwal, aged 56 years was last appointed as Director (Operations) of the Company. The Board of Directors appointed him as Chief Executive Officer of the Company, redesignated as Executive Director w.e.f 20th May, 2011.

Qualification : B.Sc. (Dairy Tech.)

List of outside Directorship held :

- i) Modern Dairyfarms Ltd.

Chairman/Member of the Committee of the Board of Directors of the Company:

Audit Committee - Member

Banking & Finance Committee - Member

Allotment Committee - Member

Chairman/Member of the Committee of Directors of other Companies: Nil

Holding in the Company: As on 31st March, 2011, Mr. Aggarwal holds 400 Equity Shares of the Company.

DIRECTORS' REPORT

Dear Members,

Your Directors hereby present their 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIALS

	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Sales and other Income	47096	44684
Operating Profit/ (Loss)	(1995)	1409
Interest	1169	1001
Cash Profit/ (Loss)	(3164)	408
Depreciation & Amortisation	723	710
(Loss) before Tax	(3887)	(302)
Net (Loss)	(4107)	(177)

PERFORMANCE

During the year under review, the net sales and other income is ₹ 470.96 crores against ₹ 446.84 crores in the previous year. The operating losses in the year are ₹ 19.95 crores as against profit of ₹ 14.09 crores last year. The Company's exports are ₹ 56.35 crores against ₹ 45.83 crores in the previous year.

The dismal performance of the Company was on account of many reasons. On the domestic front, the availability and price of the milk was an issue. The demand for the Company's products remained firm but the margins remained under pressure as the rise in the selling price was not in proportion to the increase in milk prices.

Further on the exports front, though the markets continued to recover slowly from the effects of global recession with increase in prices and demand, but the rise in input prices of milk was much higher than the appreciation in export prices, thereby resulting in very thin margin on export operations of the Company.

The Govt. of India as a regulatory measure during the year first withdrew the exports incentives available on Casein exports and thereafter prohibited export of Casein affecting the exports of the Company resulting into huge financial losses.

During the year, the Company's Writ Petition challenging the milk cess imposed by the Govt. of Haryana was dismissed. The Company filed a Special Leave Petition with the Hon'ble Supreme Court. The Company had to provide for all its outstanding liability.

The Networth of the Company as on 31st March, 2011 was negative, therefore the Company made a reference to the Board for Industrial & Financial Reconstruction under section 15 of Sick Industrial Companies (Special Provisions) Act, 1985.

PROHIBITION ON CASEIN EXPORT

As the members are aware, the Company had put up a separate unit (Unit No. II) for manufacturing of milk based nutritional ingredients with a huge capital investment, which is an export dependent unit. During the year, the Govt. of India as a regulatory measure first withdrew the export incentives available on Casein exports and thereafter prohibited exports of Casein which has affected the Company very badly and has halted the operations of Unit No. II. The Company itself and through association of Casein manufacturers is following continuously with the Central Govt., but till date, there is no relief.

MILK CESS

The Company had filed a Writ Petition with the Hon'ble Punjab & Haryana High Court challenging imposition of Milk Cess by the Govt. of Haryana. The said Writ Petition was dismissed by the Hon'ble Punjab & Haryana High Court. The Company has filed a Special Leave Petition with the Hon'ble Supreme Court against the judgement of Hon'ble Punjab & Haryana High Court. The Hon'ble Supreme Court has issued notice to the Govt. of Haryana in the matter and the matter is pending before the Hon'ble Supreme Court.

CURRENT OPERATIONS

The milk availability situation in the Country continues to be difficult. The Company achieved net sales and other operating income of ₹ 109.66 crores during the quarter ending 30th June, 2011 as against ₹ 98.78 crores during the same period last year. The export sales during the quarter are ₹ 6.58 crores as against ₹ 14.50 crores during the same period last year. Due to withdrawal of incentives and further blanket ban on export of Casein imposed by the Government of India, Unit No. II is virtually closed since February, 2011. Although the demand in domestic market remains encouraging and the operations at Unit No. 1 continue to be normal.

QUALITY, FOOD SAFETY & ENVIRONMENT STANDARDS

(ISO 9001, ISO 14001, ISO 22000 and HACCP Certifications)

In its commitment to maintain best of the management practices, your Company's manufacturing facilities continue to maintain ISO 9001:2008, ISO 14001:2004, ISO 22000:2005 and HACCP Certification by DNV Netherlands.

DIRECTORS

Mr. A.K. Loomba was appointed as Nominee Director of Punjab National Bank in place of Mr. V. Srinivasan on the Company's Board w.e.f. 14th February, 2011. Mr. Loomba's nomination stood withdrawn w.e.f. 12th May, 2011.

Mr. Amarjit Goyal, Director, resigned from the Board of Directors of the Company w.e.f. 20th May, 2011. The Board placed on record its appreciation for the assistance and guidance provided by Mr. Amarjit Goyal during his long tenure with the Company.

Mrs. Alka Goyal, Director, resigned from the Board of Directors of the Company w.e.f. 20th May, 2011. The Board placed on record its appreciation for the assistance and guidance provided by Mrs. Alka Goyal during her long tenure with the Company.

The Board of Directors have appointed Dr. P.K. Jain as Additional Director w.e.f. 20th May, 2011, designated as Director (Admn. & Milk Procurement), subject to approval of the shareholders in the forthcoming Annual General Meeting.

Mr. Krishan Kumar Goyal, Chairman & Mg. Director of the Company resigned from the Board of Directors of the Company w.e.f. 20th May, 2011. The Board placed on record its appreciation for the guidance provided by Mr. Goyal and leading the Company ably throughout and bringing it to the place of eminence during his tenure as Chairman and Managing Director of the Company.

Prof. Satish Kapoor, Director of the Company was unanimously elected as the new Chairman (Non-Executive) of the Company w.e.f. 20th May, 2011.

Mr. A.K. Aggarwal, Director (Operations) of the Company was appointed as Chief Executive Officer (CEO) redesignated as Executive Director w.e.f. 20th May, 2011.

Mrs. Kalpana Gupta was appointed as Nominee Director by Punjab National Bank and was taken on the Board of Directors as member w.e.f. 25th July, 2011.

Dr. B. N. Mathur, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

CHAIRMAN EMERITUS

In recognition of the invaluable contribution by Mr. Krishan Kumar Goyal to the Company's affairs over the last two decades and the progress and

success made by the Company during his tenure, the Board of Directors appointed Mr. Goyal as the Chairman Emeritus of the Company.

AUDITORS

M/s. Walker Chandio & Co., Statutory Auditors of the Company hold office until the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Your Directors have appointed M/s V. Kumar & Associates as Cost Auditors of the Company for the year 2011-12, to conduct the cost audit subject to the approval of the Central Government.

AUDITOR'S REPORT

All the comments of the Statutory Auditors on the Annual accounts are self explanatory and requires no further explanation.

FIXED DEPOSITS

Your Company did not invite or accept any fixed deposit pursuant to provisions of Section 58A of the Companies Act, 1956, during the year.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

A separate report on Corporate Governance and Management Discussion & Analysis is attached to this report.

HUMAN RESOURCES

Harmonious employee relations prevailed throughout the year. Your Directors place on record their appreciation for all categories of employees for their hard work and dedication.

There were no employees employed throughout the financial year or part thereof drawing remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Disclosure of Particulars in the Report of Board of Directors Rules, 1988, as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, is given in the Annexure 'A' and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed and that there were no material departures.
- (ii) The accounting policies selected by them have been applied consistently, and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the Company as on 31st March, 2011 and loss of the Company for the year ended 31st March, 2011.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

APPRECIATION

Your Directors wish to place on record their sincere appreciation for the continued support from its Bankers and to all business associates of the Company.

For & on behalf of the Board

Place: Chandigarh

Satish Kapoor

Dated: 13th August, 2011

Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS
INDUSTRY STRUCTURE & DEVELOPMENTS**

India is the largest producer of milk in the World. In the year 2009-10, there was production of 112 million tonnes of milk. In the year 2010-11, it is estimated that India produced 117 million tonnes of milk, registering a growth of around 4%.

India has not been able to keep pace with the demand of milk and milk products at home. The demand for milk and value-added dairy products in the domestic market has been growing because of increasing income, rising aspirations and consequently there is growth in per capita milk consumption.

The pre budget economic survey for 2010-11 noted that the demand for milk and milk products is growing @ 5.5% emphasizing that there is a gap in demand

and supply of milk and milk products in the Country. As the Indian economy continues to grow, the shortage in supply of milk is likely to stay, rendering the milk more and more expensive. In urban areas, the demand for processed and packaged dairy products will grow in consonance with a growing population with higher disposable income and higher health consciousness.

A rising demand for milk and milk products had led to an increase in its prices even during the winter months, when production of milk is at its peak. The trend for increase in demand is likely to continue and put more pressure on milk prices.

To bridge this gap in demand and supply, milk output must go up by 6%+ per annum, compared with the current growth rate of 4%.

Till the time, measures taken by the Government are inadequate to bridge the demand and supply mismatch, the shortage of milk and rise in milk prices is likely to continue.

OPPORTUNITIES AND THREATS

The domestic market continues to be strong and the industry expects good opportunities for marketing its dairy products in the domestic market.

The impact of global economic recession is still being felt in developed nations, there by resulting in low demands and prices of dairy products in the International market. The Indian dairy exports continued to be adversely affected due to technical barriers to trade like restrictions on export of Edible Grade Dairy Products from India into the EU nations. There are other countries too like Russia, Mexico, Malaysia, Brazil, where Indian products cannot be exported due to non availability of Mutual Trade Agreement between India and respective countries.

RISK & CONCERN

Like any agro based industry, the dairy industry is also dependent on the vagaries of nature which affect the production of milk. The milk being perishable can't be stored for processing at a later stage.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that transactions are properly recorded, authorized and reported.

The Company has in place well documented and structured systems and procedures in line with the best of practices and well defined roles and responsibilities for people in all functions at various levels. The Company is certified as ISO 9001:2008 (Quality Management System Standard), ISO