

MILKFOOD LIMITED

5th Floor, 91, Bhandari House, Nehru Place, New Delhi-110 019

Ph.: 26460670-4 / 26463773 Fax : 011-26460823

E-mail : milkfoodltd@milkfoodltd.com, Website : www.milkfoodltd.com

CIN : L15201PB1973PLC003746

MFL\SCY\2019-20
The Manager (Listing)
The BSE Limited
1st Floor, New Trading Ring,
Rotunda Building
P J Towers, Dalal Street,
Fort, Mumbai-400 001

30th August, 2019

Sub: Annual Report along with Notice of AGM

Scrip Code No.: 507621

Dear Sir,

We would like to inform you that 46th Annual General Meeting of the Company is scheduled to be held on Thursday, the 26th September, 2019 at 9.00 a.m. at the registered office of the Company at Bahadurgarh, Distt. Patiala, Punjab.

Further, pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report along with Notice of Annual General Meeting of "Milkfood Limited" for the year ended 31st March, 2019.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For MILKFOOD LIMITED

Rhakur

(Rakesh Kumar Thakur)
Company Secretary



Encl: As above



Regd. Office : P.O. Bahadurgarh-147021 Distt. Patiala (Punjab)

Phones : 0175-2381404 / 2381415

Fax : 0175-2380248



MILKFOOD LIMITED

CIN : L15201PB1973PLC003746

Regd. Office: P.O. Bahadurgarh, Distt. Patiala (Punjab) - 147021

Ph: 0175-2381404/2381415 Fax: 0175-2380248

Email: milkfoodltd@milkfoodltd.com, Website: www.milkfoodltd.com

NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the members of the Company MILKFOOD LIMITED will be held at the Registered Office of the Company at Bahadurgarh, District Patiala – 147021, (Punjab) on Thursday, the 26th September, 2019 at 9.00 A.M. to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt:
 - (a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2019 alongwith the Report of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 along with the Report of Auditors thereon.
- (2) To appoint a Director in place of Mrs. Preeti Mathur, Director (DIN: 07951647), who retires by rotation at this Annual General Meeting and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

- (3) Reappointment of Mrs. Asha Gadi (DIN: 00110734) as an Independent Director for a Second Term:

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

“RESOLVED THAT pursuant to Section 149, 152 of the Companies Act, 2013 (“the Act”) and such other applicable provisions, if any, of the Act and the Rules made thereunder, read with Schedule IV of the Act, Mrs. Asha Gadi (DIN: 00110734), who was appointed as an Independent Director by the shareholders in the Annual General Meeting (AGM) of the Company held in the calendar year 2014 for a term of 5 (Five) years and whose term of office expires at this Forty Sixth Annual General Meeting, be and is hereby reappointed as an Independent Director, for a further term of 5 (Five) years, to hold office upto the date of Annual General Meeting of the Company to be held in the calendar year 2024.”
- (4) To ratify the remuneration payable to the Cost Auditors for the financial year 2019-20:

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rules issued under the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable law, consent of the members be and is hereby accorded for ratification of the remuneration of Rs. 1,00,000/- (Rupees One Lac only) plus service tax & re-imbursement of out-of-pocket expenses payable to M/s. R. J. Goel & Co., Cost Accountants (Firm Registration No.000026) for conducting the audit of the cost records made and maintained by the Company pertaining to milk powder for the financial year 2019-20.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/ or the Company Secretary be and are hereby authorised to do all such acts as may be necessary, proper or expedient to give effect to this resolution.”
- (5) Remuneration of Ms. Roshini Sanah Jaiswal, Executive Director (Operations):

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions , if any, of the Companies Act, 2013 (the Act) read with Rules and Regulations made there under and in terms of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), and also pursuant to the recommendations of the Audit Committee, Nomination and Remuneration Committee and as approved by the Board of Directors, consent of the Company be and is hereby accorded to revise the remuneration of Ms. Roshini Sanah Jaiswal, Executive Director (Operations) of the Company with effect from 01.04.2018 as follows:

 1. Salary : Rs. 25,00,000/- p.m.
 2. Accommodation : She will be entitled for rent free accommodation and Company Car with Driver.
 3. Other Perks and Benefits : She will also entitled for reimbursement of Gas, Electricity and Water Bill charges on actual payment basis.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to revise/ increase the salary from time to time and to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this Resolution.”

(6) Remuneration of Mr. Karamjit Jaiswal, Chief Mentor (Administration & General):

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions , if any, of the Companies Act, 2013 (the Act) read with Rules and Regulations made there under and in terms of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), and also pursuant to the recommendations of the Audit Committee, Nomination and Remuneration Committee and as approved by the Board of Directors, consent of the Company be and is hereby accorded to revise the remuneration of Mr. Karamjit Jaiswal, Chief Mentor (Administration & General) of the Company with effect from 01.04.2019 as follows:

1. Salary : Rs. 25,00,000/- p.m.
2. Accommodation : He will be entitled for rent free accommodation and Company Car with Driver.
3. Other Perks and Benefits : He will also entitled for reimbursement of Gas, Electricity and Water Bill charges on actual payment basis.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby authorised to revise/ increase the salary from time to time and to do all such acts and take all steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board
For **MILKFOOD LIMITED**

Sd/-
Rakesh Kumar Thakur
Company Secretary
Membership No: F-9809

Place: New Delhi
Date : 24th May, 2019

NOTES:

1. **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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED, SIGNED AND MUST BE SENT TO THE COMPANY SO AS TO REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxy Form is enclosed.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2019 to 25th September, 2019 (both days inclusive).
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
5. In case of joint holders attending the Annual General Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the meeting.
6. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 additional information on Directors seeking appointment/reappointment at the Annual General Meeting are provided in the Corporate Governance Report.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

8. Members/Proxies attending the meeting are requested to bring the Attendance Slips (duly completed) in the meeting.
9. The Notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.milkfoodltd.com.
10. Members holding the shares in physical form are requested to immediately intimate any changes pertaining to their name, address, registered e mail id, bank details etc. to the Registrar and Share Transfer Agent (RTA) of the Company at Alankit Assignments Ltd., RTA Division, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055, or to the Company at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019. Members holding shares in dematerialized form are requested to intimate any of the above mentioned details to their Depository Participant. Changes intimated to the Depository Participant will be automatically reflected in the Company's records.
11. For the purpose of availing Nomination facility, members holding shares in dematerialised form are required to lodge the nomination with their Depository Participant and members holding shares in physical form are required to fill and submit Form SH-13 (available on request) with the Company's Registrar and Transfer Agent, at Alankit Assignments Ltd., RTA Division, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055, or to the Company at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019.
12. Members of the Company may kindly note that the shares of the Company are traded on Bombay Stock Exchange Ltd. (BSE) compulsorily in demat mode. Hence, the Members who are still holding physical Share Certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefits of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
13. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Annual General Meeting.
14. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again in the meeting.
15. The route map showing directions to reach the venue of the Forty- Sixth AGM is annexed.
16. **Pursuant to the prohibitions imposed vide Secretarial Standards on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.**
17. **Voting through electronic means:**
 - a) In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide remote e-voting facility to the members of the Company to exercise their right to vote by electronic means in respect of the resolutions to be passed at the 46th Annual General Meeting.
 - b) The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by the Central Depository Services (India) Limited ("CDSL"). The e-voting facility will be available at the link www.evotingindia.com.
 - c) The remote e-voting period begins on 23rd September, 2019 at 9.00 a.m. and ends on 25th September, 2019 at 5.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form as on **19th September, 2019** being the **cut-off date** (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - d) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on **19th September, 2019** (the "Cut-off Date") only shall be entitled to vote through remote e-voting and at the AGM.
 - e) At the venue of AGM, voting shall be done through ballot papers and the members attending AGM who have not cast their vote by remote e-voting shall be entitled to cast their vote through Ballot papers.
 - f) The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting process along with printed attendance slips and proxy forms can be downloaded from the link www.milkfoodltd.com or www.evotingindia.com
 - g) A person who is not a member of the Company as on the cut-off date should treat this Notice for the information purposes only.
 - h) Members holding multiple folios/demat accounts may choose the voting process separately for each folio/demat account.

- i) The voting rights of the members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on the cut-off date.
- j) A member can opt only one mode of voting i.e. either in person or through proxy at the meeting or through remote e voting.
- k) The Company has appointed Mrs. Kamlesh Gupta, Company Secretary, as 'scrutinizer' (the "Scrutinizer"), to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.milkfoodltd.com and on the website of the CDSL e-Voting www.evotingindia.com. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of Milkfood Limited on which you choose to vote.

- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians:-
 - 1 Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - 2 A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 3 After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - 4 The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 5 A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Any person who acquires shares of the Company and become member of the Company after despatch of the notice and holding shares as on the cut off date i.e. **19th September, 2019** may follow the same instructions as mentioned above for e voting.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Or contact to Mr. Rakesh Dalvi, Manager, Contact No. 1800225533, Address: Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.

Explanatory Statement in respect of Special Business pursuant to Section 102 of the Companies Act, 2013:

Item No. 3

Mrs. Asha Gadi (DIN: 00110734), was appointed as an Independent Director by the shareholders in the 41st Annual General Meeting (AGM) of the Company held in the calendar year 2014 for a term of 5 (Five) years and her term of office expires at this Forty Sixth Annual General Meeting.

Since Mrs. Asha Gadi has completed one term as an Independent Director of the Company, she is eligible for reappointment for one more term. The Nomination and Remuneration Committee have recommended the reappointment of Mrs. Asha Gadi for a second term of 5 (five) years to hold office upto the date of Annual General Meeting of the Company to be held in the calendar year 2024."

Further, the Company has also received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member proposing her candidature for reappointment as an Independent Director.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mrs. Asha Gadi fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her reappointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board based on the performance evaluation and recommendations of the Nomination and Remuneration Committee is of the opinion that Mrs. Asha Gadi is a person of high repute, integrity and have rich and varied experience, considers that her continued association would be beneficial to the Company and it is desirable to continue to avail services of Mrs. Asha Gadi as an Independent Director.

Except Mrs. Asha Gadi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM. Mrs. Asha Gadi is not related to any Director of the Company.

Accordingly, the Board recommends passing of the Special Resolution as set out in the Notice as Item No.3.

Item No. 4:

The Board on the recommendations of the Audit Committee has approved the appointment of M/s R. J. Goel & Co., Cost Accountants (Firm Registration No. 000026) as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company pertaining to milk powder for the financial year 2019-20 at a remuneration of Rs. 1,00,000/- (Rupees One Lac only) plus service tax & re-imbusement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company / their relatives is in any way concerned or interested, financially or otherwise, in this item of business.

The Board of Directors recommends the Ordinary Resolution as set out at Item No.4 of the Notice for approval by the members.

Item No. 5:

The Board of Directors on the recommendations of the Audit Committee and Nomination and Remuneration Committee and subject to the approval of the members of the Company, has revised the remuneration of Ms. Roshini Sanah Jaiswal, Executive Director (Operations) of the Company w.e.f. 01.04.2018 at a gross remuneration of Rs. 25,00,000/- (Rupees Twenty Five Lacs only) per month. She has vast commercial & administrative experience in the field of Dairy and Alcoholic Beverages Industry. She has contributed immensely for the development of the Company and due to her efforts, the Company is growing its revenues and profits.

The payment of remuneration to Ms. Jaiswal is in the ordinary course of business and at arm's length basis. However, in abundant precautions, it is proposed to obtain the approval of the members by way of an ordinary resolution.

None of the Directors/ Key Managerial Personnel of the Company / their relatives is in any way concerned or interested, financially or otherwise, in this item of business.

The Board of Directors recommends the Ordinary Resolution as set out at Item No.5 of the Notice for approval by the members.

Item No. 6:

The Board of Directors on the recommendations of the Audit Committee and Nomination and Remuneration committee and subject to the approval of the members of the Company, has revised the remuneration of Mr. Karamjit Jaiswal, Chief Mentor (Administration & General) of the Company w.e.f. 01.04.2019 at a gross remuneration of Rs. 25,00,000/- (Rupees Twenty Five Lacs only) per month. He has vast experience of business and administration of around five decades in the Dairy and Alcoholic Beverages Industry. He is continuously guiding the Company to achieve higher revenues and profits. His guidance has been very beneficial for the growth of the Company.

The payment of remuneration to Mr. Jaiswal is in the ordinary course of business and at arm's length basis. However, in abundant precautions, it is proposed to obtain the approval of the members by way of an ordinary resolution.

None of the Directors/ Key Managerial Personnel of the Company / their relatives is in any way concerned or interested, financially or otherwise, in this item of business.

The Board of Directors recommends the Ordinary Resolution as set out at Item No.6 of the Notice for approval by the members.



MILKFOOD LIMITED

CIN : L15201PB1973PLC003746

Regd. Office: P.O. Bahadurgarh, Distt. Patiala (Punjab) - 147021

Ph: 0175-2381404/2381415 Fax: 0175-2380248

Email: milkfoodltd@milkfoodltd.com, Website: www.milkfoodltd.com

FORM NO. MGT-11

PROXY FORM

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

CIN:	L15201PB1973PLC003746		
Name of the Company:	MILKFOOD LIMITED		
Registered Office:	P.O. Bahadurgarh-147021, Distt. Patiala (Punjab)		
Name of the member(s)			
Registered Address:			
E-mail Id			
Folio No/Client Id		DP ID	

I/We, being the member(s) of Milkfood Limited holding.....shares of the above named company, hereby appoint

1.	Name			
	Address		Signature	
	E-mail id			
	or failing him			
2.	Name			
	Address		Signature	
	E-mail id			
	or failing him			
3.	Name			
	Address		Signature	
	E-mail id			
	or failing him			

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Thursday, the 26th September, 2019 at 09.00 A.M. at the Regd. Office of the Company at P.O. Bahadurgarh-147021, Distt. Patiala (Punjab) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. as per Notice

S. No.	RESOLUTION	FOR	AGAINST
1.	To receive consider and adopt the audited financial statements of the Company for the year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon and also audited consolidated financial statements of the Company for the financial year ended on March 31, 2019.		
2.	To reappoint Mrs. Preeti Mathur, Director (DIN: 07951647), who retires by rotation.		
3.	To reappoint Mrs. Asha Gadi (DIN: 00110734), as an Independent Director for a second term.		
4.	To ratify the remuneration payable to Cost Auditors for the financial year 2019-20.		
5.	Remuneration of Ms. Roshini Sanah Jaiswal, Executive Director (Operation).		
6.	Remuneration of Mr. Karamjit Jaiswal, Chief Mentor (Administration & General).		

Signed this day of 2019

Signature of Shareholder

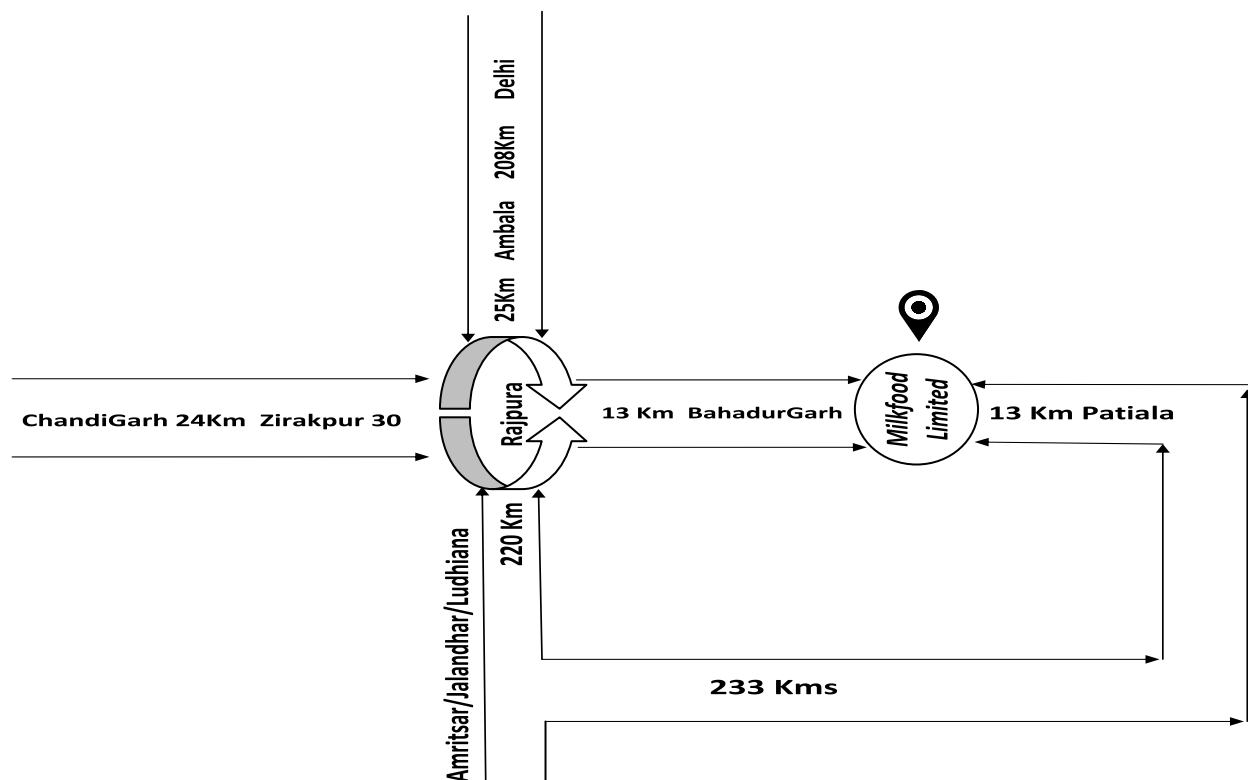
Signature of Proxy holder(s)

Affix a
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.

AGM VENUE ROUTE MAP

Bahadurgarh, Distt. Patiala (Punjab)-147021





MILKFOOD LIMITED

CIN : L15201PB1973PLC003746

Regd. Office: P.O. Bahadurgarh, Distt. Patiala (Punjab) - 147021

Ph: 0175-2381404/2381415 Fax: 0175-2380248

Email: milkfoodltd@milkfoodltd.com, Website: www.milkfoodltd.com

Folio No./DP ID/ Client ID No.	
No of Shares Held	

ATTENDANCE SLIP

I/We record my/our presence at the 46th Annual General Meeting of the Company to be held at the Regd. Office of the Company at P.O. Bahadurgarh-147021, Distt. Patiala (Punjab) on Thursday, the 26th September, 2019 at 09.00 A.M.

NAME OF THE SHAREHOLDER(S) (in Block Letters)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (in Block Letters)	
SIGNATURE OF THE PROXY	

NOTE: You are requested to sign and hand over this slip at the entrance of the meeting venue.

The Electronic Voting Particulars are as follows:

EVSN	USER ID	SEQUENCE NO.
190821001		

MILKFOOD LIMITED

Annual Report

For the year ended 31st March, 2019



milkfood

BOARD OF DIRECTORS
GITA BAWA
ASHA GADI
HARMESH MOHAN SOOD
PREETI MATHUR

AUDITORS
V.P. Jain & Associates
Chartered Accountants
New Delhi

BANKERS
State Bank of India
Canara Bank

REGISTERED OFFICE
Bahadurgarh
Distt. Patiala-147021
(Punjab)

WORKS
Bahadurgarh
Distt. Patiala-147021
(Punjab)

Village Agwanpur
Kanth Road,
Moradabad-244001
(Uttar Pradesh)

HEAD OFFICE
Bhandari House
91, Nehru Place
New Delhi-110 019

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Directors' Report

TO THE MEMBERS

The Directors present their 46th Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

	(Rs./Lacs) 2018-19	(Rs./Lacs) 2017-18
Revenue from Operations & Other Income	53,090	49,113
Profit before Finance cost, Depreciation & amortisation and Tax	2808	2652
Less: Finance Cost	788	1047
Profit before Depreciation & amortisation and Tax	2020	1605
Less: Depreciation & amortisation Expenses	683	635
Profit /(Loss) before Tax	1337	970
Tax Expenses (credit/ (net)		
- Current Tax	295	189
- Earlier year Tax expenses	17	-
- MAT Credit recognition	(322)	-
- Deferred Tax	323	(35)
Total Tax Expenses / (Credit)	313	154
Profit /Loss for the period	1024	816
Other Comprehensive income	(15)	(25)
Transferred to General Reserves	1009	791

2. OPERATIONS

During the period under Report, the Company's sales and other income are Rs.53,090 lacs and cash profit is Rs.2,020 lacs as compared to last year's figures of Rs.49,113 lacs and cash profit of Rs.1,605 lacs respectively. After depreciation and amortisation, the profit for the year is Rs.1,337 lacs as compared to the previous year profit of Rs. 970 lacs respectively.

3. DIVIDEND

The Board of Directors of your Company proposes to retain the profits for use in the business expansion programs. Accordingly, no dividend is recommended by the Directors.

4. FIXED DEPOSITS

The details relating to Deposits, covered under Chapter V of the Act:

- Accepted during the year - Nil;
- There were 7 unpaid/unclaimed fixed deposits with the Company amounting to Rs. 1.65 Lacs as at the end of the year;
- There has not been any default in repayment of deposits or payment of interest thereon during the year.

5. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, M/s. MFL Trading Private Limited continues to be the wholly owned subsidiary company of the Company.

In compliance with provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared consolidated financial statements as per the Accounting Standards on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements along with the Auditors' Report thereon forms part of this Annual Report.

During the year, the Board of Directors (the Board) has reviewed the affairs of the Subsidiary. Further, a statement containing the salient features of the financial statements of subsidiary in the prescribed format AOC-1 is appended as "Annexure 1" to the Board's Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of its subsidiary, are available on the Company's website at www.milkfoodltd.com.

The Company has no material subsidiary company but in order to comply with the Listing Regulations, the Company has adopted a Policy on Material Subsidiary Companies and has uploaded on the Company's website at www.milkfoodltd.com.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the period under review, the Company has not made any loan, guarantee or investment in terms of provisions of Section 186 of the Companies Act, 2013.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of this Report.

There is no change in the nature of the Company's business during the year under review.

8. DIRECTORS

Mrs. Preeti Mathur, Director (DIN: 07951647) retires by rotation and, being eligible, offer herself for reappointment as the Director of the Company. The Board recommends her reappointment.

Mr. Harmesh Mohan Sood and Mrs. Preeti Mathur were appointed as the Additional Directors of the Company in the Board meeting held on 29th September, 2017 in the category of Non Executive Non Independent Directors. Their appointment was regularized by the members in the Annual General Meeting held on 26th September, 2018.

Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Clause 49 of the erstwhile Listing Agreement, Mrs. Asha Gadi (DIN: 00110734), was appointed as an Independent Director by the shareholders in the 41st Annual General Meeting (AGM) of the Company held on 27th September, 2014 for a term of 5 (Five) years and her term of office expires at this Forty Sixth Annual General Meeting. She is eligible for reappointment as the Independent Director for another term of five consecutive years.

Pursuant to the provisions of the Act, based on the recommendations of the Nomination and Remuneration Committee, the Board recommends the members the reappointment of Mrs. Asha Gadi as the Independent Director at the ensuing Annual General Meeting for a second term of 5 (five) years to hold office upto the date of Annual General Meeting of the Company to be held in the calendar year 2024."

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 are annexed in the Corporate Governance Report.

Mrs. Gita Bawa continues to hold the office as the Independent Director of the Company.

9. DECLARATION OF INDEPENDENCE

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

The Company has issued the formal letter of appointment to all the independent directors in the manner as provided under the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company at www.milkfoodltd.com.

11. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, **Nine** Board meetings and **One** separate meeting of the Independent Directors were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

12. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has a policy of conducting familiarization programmes for Independent Directors in order to familiarize them with the Company, their roles, rights, responsibilities in the Company and nature of the industry in which the Company operates etc. The details of such Policy has been given on the website of the Company at www.milkfoodltd.com.

13. COMMITTEES

As per the provisions of Section 177, 178 and 135 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted an Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Composition of these Committees and details of their meetings are given in the Corporate Governance Report.

14. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sudhir Avasthi, Chief Executive Officer, Mr. Sanjeev Kothiala, Chief Financial Officer and Mr. Rakesh Kumar Thakur, Company Secretary and Compliance Officer continue to be the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) read with Section 134 (5) of the Act, your Directors confirm that:

- (a) in the preparation of Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts of the Company on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

16. AUDITORS

16.1 STATUTORY AUDITORS

The Members at the 44th Annual General Meeting (AGM) of the Company held on 26th September, 2017 had appointed M/s V. P. Jain & Associates, Chartered Accountants (ICAI Firm Registration Number 015260N), as the statutory Auditors of the Company to hold office for a term of five years i.e. from the conclusion of the said AGM until the conclusion of the 49th AGM to be held in the year 2022, subject to ratification of their appointment by the members of the Company at every subsequent AGM of the Company.

The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

16.2 AUDITORS' REPORT

The Auditors' Report does not contain any qualifications/reservation or adverse remarks. Notes to accounts are self explanatory and form an integral part of Financial Statements.

16.3 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Ms. Kamlesh Gupta, Company Secretary has been appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit of secretarial and related records of the Company for the financial year ended on March 31, 2019.

A Secretarial Audit Report submitted by the Secretarial Auditors in Form No. MR-3 forms part of this report and is annexed herewith as "Annexure-2".

A Secretarial Compliance Report for the financial year ended 31st March, 2019 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Ms. Kamlesh Gupta, Company Secretary, Secretarial Auditors, and submitted to the stock exchange.

16.4 INTERNAL AUDITORS

M/s Lalit Kumar & Co., Chartered Accountants, continue to be the Internal Auditors of the Company to perform the functions of internal audit.

16.5 COST AUDITORS

On the recommendations of Audit Committee, M/s R. J. Goel & Co., Cost Accountants (Firm Registration No.000026) have been appointed as the Cost Auditors to audit the cost accounts of the Company relating to Milk Powder for the financial years 2019-20.

As required under the Companies Act, 2013, resolution seeking members' approval for the ratification of remuneration payable to the Cost Auditors forms part of the Notice convening the ensuing Annual General Meeting.

17. NOMINATION AND REMUNERATION POLICY

The Board on the recommendations of the Nomination & Remuneration Committee has framed a Policy for the selection and appointment of directors, key managerial personnel and also for determining the criteria of their remuneration. The Remuneration Policy has been stated in the Corporate Governance Report and is uploaded on the Company's website at http://www.milkfoodltd.com/img/downloads/Milkfood_Nomination_Remuneration_Policy.pdf

18. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has formulated a Risk Management Policy. The Company is aware of the risks associated with the business of the Company. It regularly analyses and takes corrective actions for managing / mitigating the risks.

At present, the Company has not identified any element of risks which may threaten the existence of the Company.

19. PERFORMANCE EVALUATION

In terms of the requirements of the Act and Listing Regulations, a separate exercise was carried out to evaluate the performance of all the individual Directors on the Board who were evaluated on parameters such as level of engagement, contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Directors being evaluated). The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit Committee, Nomination and Remuneration Committee as well as the Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

Some of the key criteria for the performance evaluation are as follows –

Performance evaluation of Directors:

1. Attendance at the Board/Committee meetings.
2. Contribution at the Board/Committee meetings.
3. Guidance/support to management outside Board/Committee meetings.

Performance evaluation of Board and Committees:

1. Degree of fulfillment of key responsibilities.
2. Board Structure and Composition.
3. Quality of relationship between Board and Management.
4. Efficacy of communication with external shareholders.
5. Effectiveness of Board process, information and functioning.

20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint has been received during the year under review.

21. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in “Annexure-3” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on http://www.milkfoodltd.com/img/downloads/Milkfood_Corporate_Social_Responsibility_Policy.pdf.

22. CORPORATE GOVERNANCE REPORT

A detailed Report on Corporate Governance forms an integral part of Annual Report and is set out as a separate section

therein. A certificate from the Practicing Company Secretary, regarding the compliances with the conditions of corporate governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Directors' Report.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report have been given separately and forms part of this Report.

24. INFORMATION UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The shares of your Company are listed at the BSE Ltd. vide Stock Code: 507621. The listing fee for the financial year 2019-20 has been paid.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as **"Annexure- 4"**.

26. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT 9 is enclosed as **"Annexure – 5"** to this annual report and also available on the website of the Company at www.milkfoodltd.com.

27. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report is being sent to all members and others entitled thereto, excluding the aforesaid information and the said particulars are available for inspection by the members at the Registered Office of the Company during the business hours on all the working days of the Company. The members interested in obtaining such particulars may write to the Company Secretary.

Disclosures pertaining to remuneration and other details as required u/s 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 are provided as per **"Annexure- 6"**.

28. RELATED PARTY TRANSACTIONS

All related party transactions which were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. A disclosure in form AOC-2 is annexed with this Report as **"Annexure-7"**.

All related party transactions have been disclosed in Note 33 to the Accounts.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at http://www.milkfoodltd.com/img/downloads/Milkfood_Policy_on_related_party_transactions.pdf

29. GREEN INITIATIVES

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Annual Report 2019 and Notice of the 46th AGM are being sent to all members whose email addresses are registered with the Company /RTA/ Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2019 and the Notice of the AGM are being sent by the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Annual Report 2019 is also available on our website, www.milkfoodltd.com.

30. PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for the

prevention of insider trading with a view to regulate the trading in the securities of Company by the Directors and Designated Employees of the Company on the basis of unpublished price sensitive information available to them by virtue of their position in the Company.

The Code under SEBI (Prohibition of Insider Trading) Regulations, 2015 is available on the website of the Company at www.milkfoodltd.com.

31. VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, Vigil Mechanism for directors and employees to report their genuine concerns such as unethical behavior, actual or suspected fraud, violation of the Company's Code of Conduct, has been adopted. The Vigil Mechanism Policy has been uploaded on the website of the Company at http://www.milkfoodltd.com/img/downloads/Milkfood_WHISTLEBLOWER_POLICY.pdf

32. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an adequate system of internal control to safeguard and protect from losses, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting the financial statements. The Internal Auditor of the Company checks and verifies the internal control and monitors them in accordance with the policy adopted by the Company.

33. COMPLIANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company is fully compliant with the applicable mandatory requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

34. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the financial year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's Operations in future.

36. REPORTING OF FRAUD BY AUDITORS

During the year under review, none of the Auditors have reported to the Audit Committee or to the Board, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

37. ACKNOWLEDGEMENT

Your Company and its Board of Directors would like to express their sincere appreciation for the assistance, support and cooperation received from Government, regulatory authorities, stakeholders, customers, vendors, investors, financial institutions, bankers and members during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Place : New Delhi
Date : 24th May, 2019

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

Sd/-
Asha Gadi
Director
DIN:00110734

Annexure - 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MFL Trading Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2018 to 31/03/2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
4.	Share capital	1,00,000
5.	Reserves & surplus	(1,68,733)
6.	Total Assets	18,432
7.	Total Liabilities	18,432
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(24,173)
11.	Provision for taxation	-
12.	Profit after taxation	(24,173)
13.	Proposed Dividend	-
14.	% of shareholding	100

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations Nil
- Names of subsidiaries which have been liquidated or sold during the year. Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of associates/Joint Ventures	Not Applicable
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding%	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations. Nil
- Names of associates or joint ventures which have been liquidated or sold during the year. Nil

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

(For the financial year ended 31st March, 2019)

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

To
The Members
Milkfood Limited
P.O. Bahadurgarh
Distt. Patiala
Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Milkfood Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019, complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable during the reporting period** as the Company has not received any foreign direct investment, Company has not made any overseas investments and there are no external commercial borrowings during the period under audit.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeover) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable** as the Company has not issued any securities during the year under audit;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable** as the Company has not granted any Options to its employees during the year under audit;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable** as the Company has not issued any debt securities during the year under audit;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable** as the Company is not registered as a Registrar to an issue and Share Transfer Agent during the year under audit;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable** as the Company has not got delisted its equity shares from the Stock Exchange during the year under audit;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable** as the Company has not bought back any of its securities during the year under audit.
- (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the Management, that is to say:
 - (i) The Food Safety and Standards Act, 2006 and the Rules & Regulations made thereunder.

For the compliances of Labour Laws & other General Laws, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

I have also examined the compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted as per the requirements of Listing regulations and the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the applicable provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Annual General Meeting, Board Meetings and Committee Meetings of the Board were duly signed by the Chairman. All the decisions of the Board meetings and Committee meetings are carried out unanimously as recorded in their respective minute books and no dissenting vote has been recorded in the minutes on any matter.

As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

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

I further report that during the audit period, there are no other specific events/actions having a major bearing on the affairs of the Company in pursuance of the laws, rules, regulations, guidelines, standards etc. have taken place.

This report is to be read with my Letter of even date which is annexed as **Annexure-2-A** and form an integral part of this Report.

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. A-13862

C.P. No. 10451

Place: Gurugram

Date: 24th May, 2019

Annexure-2-A

To

The Members

Milkfood Limited

P.O. Bahadurgarh

Distt. Patiala

Punjab

My Report of even date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of contents of the Secretarial Records. The verifications were done on test basis to ensure that correct facts are reflected in the Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. A-13862

C.P. No. 10451

Place: Gurugram

Date: 24th May, 2019

Annexure-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs.**

The Company has assumed the responsibility to contribute to create positive and lasting social impact by addressing various needs of the society through its CSR programs. The Company has adopted its CSR Policy striving for economic and social development that positively impacts the society at large. CSR Policy of the Company provides the overview of projects or programs which are proposed to be undertaken by the Company.

During the year, the Company has conducted CSR to contribute to the Prime Minister's National relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

During the year 2018-19, a formal CSR Policy as per the requirement under the Companies Act, 2013 was adopted by the Board. The details of the Policy of the Company are available at website of the Company.

< Weblink:

http://www.milkfoodltd.com/img/downloads/Milkfood_Corporate_Social_Responsibility_Policy.pdf

- 2. The Composition of the CSR Committee:**

1. Mr. Harmesh Mohan Sood,
2. Mrs. Asha Gadi,
3. Mrs. Preeti Mathur

- 3. Average net profit of the company for last three financial years:**

Average Net Profit: [Rs.3,52,72,503]

Financial Year	Amount in Rs.
2015-16	1,76,01,802/-
2016-17	- 96,21,629/-
2017-18	9,78,37,334/-
Total Profit	10,58,17,507/-
Average Net Profit	3,52,72,503/-

- 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):**

2% of Average Profit = Rs. 7,05,450/-

- 5. Details of CSR spent during the financial year**

- a) Total amount to be spent for the financial year – Rs. 7,05,450/-. Total amount spent for the Financial Year – Rs. 7,06,000/-
- b) Amount unspent, if any - **Nil**
- c) Manner in which the amount spent during the financial year is detailed below-

S.No	CSR project or activity identified	Sector in which the project is covered (Schedule VII of the Companies Act, 2013)	Projects or programme: (i) Local area or other (ii) Specify (the State or District where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on project or programs: Sub head: 1. Direct expenditure on project or programme; 2. Overhead	Cumulative expenditure up to the date of reporting	Amount spent: Direct or through implementing agencies
1.	Contribution to Prime Minister's National Relief fund (PMNF)	NA	Contribution to Prime Minister's National Relief fund (PMNF)	Rs. 7,06,000/-	Rs. 7,06,000/-	Rs. 7,06,000/-	Direct
	Total	-	-	Rs. 7,06,000/-	Rs. 7,06,000/-	Rs. 7,06,000/-	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.- **Not Applicable**
7. CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and CSR Policy of the Company.

Place: New Delhi
Date: 24th May, 2019

Sd/-
Sudhir Avasthi
Chief Executive Officer

Sd/-
Harmesh Mohan Sood
Chairman—CSR Committee

Annexure-4

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019:-

1. CONSERVATION OF ENERGY

- I. Your Company has been making efforts to reduce energy consumption by focusing on improving the steam efficiency and capacity utilization, upgradation of technology, modernization of plants/ training and motivation of employees towards energy conservation.
- II. The Company has installed steam turbine for generation of electricity and fuel efficient boiler. Implementation of refrigeration systems consuming low power has been completed.
- III. There is no capital investment on energy conservation equipments during the year.

Details pertaining to energy consumption as prescribed are given hereunder:

		Year ended 31.03.2019	Year ended 31.03.2018
A) Power and Fuel consumption			
1) Electricity			
a) Purchased			
Units		31,29,130	32,30,172
Total Value	(Rs.)	2,61,97,073	2,58,67,053
Rate/Unit	(Rs.)	8.37	8.01
b) Own Generation			
(i) Through Diesel Generator			
Units		88,038	72,580
Total Value	(Rs.)	19,59,060	16,30,936
Unit per litre of:			
Diesel Oil		2.98	2.66
Cost/Unit	(Rs.)	22.25	22.47
(ii) Through Steam Turbine			
Units		4,64,219	7,37,371
Total Value	(Rs.)	46,60,758	58,91,464
Unit per Kgs of:		10.04	7.99
Steam		16,868	28,012
Cost/Unit	(Rs.)	2.01	1.21
2) Others/Internal Generation			
Rice Husk/Petroleum Coke/Charcoal			
Buggase/Fire Wood			
Quantity(MT)		1,02,529	12,357
Total Amount	(Rs.)	3,84,88,323	4,60,38,936
Avg. Rate	(Rs.)	3,754	3,726

The Company has two manufacturing plants at different locations and produces various products and uses different sources of energy in different combinations for the different products. It is, therefore, not feasible to arrive at the energy consumption per unit for each source of energy.

2. TECHNOLOGY ABSORPTION

The Company has not imported any technology for the various products being produced / marketed by it. Up-gradation of technology is a continuous process. There is ongoing work for the quality improvement, finding alternative packing materials, improvement in the various processes.

No expenditure has been incurred on research & development during the year.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2019

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

1. REGISTRATION & OTHER DETAILS:

i	CIN	LI5201PB1973PLC003746
ii	Registration Date	31-03-1973
iii	Name of the Company	Milkfood Limited
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office and contact details	Bahadurgarh, Distt. Patiala (Punjab)-147021 Ph. 0175-2381404, Fax: 0175-2380248
vi	Whether Listed Company	Yes (Listed in BSE Ltd.)
vii	Name, Address and Contact details of Registrar and TransferAgent, if any	Alankit Assignments Limited 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055 Phone: 011-42541234, 23541234 e-mail : rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Ghee	15203	99.57
2	Milk Powder	15201	00.43

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	MFL Trading Private Limited	U51109DL2010PTC208069	Subsidiary	100	Section 2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2400084	0	2400084	49.12	2400084	0	2400084	49.12	0
b) CentralGovt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	48250	0	48250	0.99	48250	0	48250	0.99	0
d) Bank /FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
SUB TOTAL: (A) (1)	2448334	0	2448334	50.11	2448334	0	2448334	50.11	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks /FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total(A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+ (A)(2)	2448334	0	2448334	50.11	2448334	0	2448334	50.11	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	0	2600	2600	0.05	0	2600	2600	0.05	0
b) Banks/FI	50	450	500	0.01	50	450	500	0.01	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	265353	0	265353	5.43	323849	0	323849	6.63	+1.20
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub Total: (B) (1)	265403	3050	268453	5.49	323899	3050	326949	6.69	+1.20
2) Non Institutions									
a) Bodies Corporate	1371296	4962	1376258	28.17	1367140	3962	1371102	28.06	-0.11
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	396469	352107	748576	15.32	386005	313798	699803	14.32	-1.00
i) Individual shareholders holding nominal share capital in excess of Rs.1 lakhs	34731	0	34731	0.71	24497	0	24497	0.50	-0.21
c) Any other (specify) (i) NRIs	7442	1200	8642	0.18	10642	1000	11642	0.24	+0.06
(ii) Trust	500	0	500	0.01	500	0	500	0.01	0
(iii) NBFCs registered with RBI	0	0	0	0	500	0	500	0.01	+0.01
(iv) Clearing Member	946	0	946	0.01	3113	0	3113	0.06	+0.05
Sub-Total (B) (2):-	1811384	358269	2169653	44.40	1792397	318760	2111157	43.20	-1.20
Total Public Shareholding									
(B) = (B) (1) + (B) (2)	2076787	361319	2438106	49.89	2116296	321810	2438106	49.89	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4525121	361319	4886440	100	4564630	321810	4886440	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Karamjit S Jaiswal	1700024	34.79	0	1700024	34.79	0	0
2.	Roshini Sanah Jaiswal	700060	14.33	0	700060	14.33	0	0
3.	Blue Skies Investments Pvt. Ltd.	25250	0.52	0	25250	0.52	0	0
4.	Snowwhite Holdings Pvt. Ltd.	23000	0.47	0	23000	0.47	0	0
	Total	2448334	50.11	0	2448334	50.11	0	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	2448334	50.11	2448334	50.11
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.) shareholding during the year	No Change in promoters			
3.	At the end of the year	2448334	50.11	2448334	50.11

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
1.	Dhanvani Investments Private Ltd. At the beginning of the year Bought / Sold during the year At the end of the year	560861 0 -	11.48 0 -	560861 560861 560861	11.48 11.48 11.48
2.	Sudha Commercial Company Limited At the beginning of the year Bought / Sold during the year At the end of the year	489103 0 -	10.01 0 -	489103 489103 489103	10.01 10.01 10.01
3.	National Westminster Bank PLC as Trustee of the Jupiter India Fund At the beginning of the year Bought / Sold during the year 22/06/2018-Purchase 06/07/2018-Purchase 13/07/2018-Purchase 20/07/2018-Purchase 27/07/2018-Purchase 22/08/2018-Purchase 24/08/2018-Purchase	210457 7788 2463 213 1459 4928 10585 4349	4.30 0.16 0.05 0.00 0.03 0.10 0.21 0.89	210457 218245 220708 220921 222380 227308 237893 242242	4.30 4.46 4.51 4.52 4.55 4.65 4.86 4.95

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	31/08/2018-Purchase	982	0.02	243224	4.97
	07/09/2018-Purchase	6808	0.13	250032	5.11
	21/12/2018-Purchase	3928	0.08	253960	5.19
	30/12/2018-Sold	175607	3.59	78353	1.60
	31/12/2018-Purchase	175607	3.59	253960	5.19
	22/02/2019-Purchase	122	0.00	254082	5.19
	01/03/2019-Purchase	809	0.01	254891	5.21
	08/03/2018-Purchase	539	0.01	255430	5.22
	15/03/2019-Purchase	1376	0.02	256806	5.25
	22/03/2019-Purchase	2209	0.04	259015	5.30
	29/03/2019-Purchase	6680	0.13	265695	5.43
	At the end of the year	-	-	265695	5.43
4.	CRC Fincap Private Limited				
	At the beginning of the year	176275	3.61	176275	3.61
	Bought / Sold during the year	0	0	176275	3.61
	At the end of the year	-	-	176275	3.61
5.	Shiv Muskan Investments Private Limited				
	At the beginning of the year	110000	2.25	110000	2.25
	Bought / Sold during the year	0	0	110000	2.25
	At the end of the year	-	-	110000	2.25
6.	Jupiter South Asia Investment Company Limited				
	At the beginning of the year	54896	1.12	54896	1.12
	Bought / Sold during the year				
	22/06/2018 - Purchase	1247	0.02	56143	1.14
	29/06/2018-Purchase	783	0.01	56926	1.16
	06/07/2018-Purchase	643	0.01	57569	1.17
	13/07/2018-Purchase	56	0.00	57625	1.17
	20/07/2018-Purchase	200	0.00	57825	1.18
	27/07/2018-Purchase	154	0.00	57979	1.18
	22/08/2018-Purchase	334	0.00	58313	1.19
	24/08/2018-Purchase	138	0.00	58451	1.19
	31/08/2018-Purchase	32	0.00	58483	1.19
	07/09/2018-Purchase	215	0.00	58698	1.20
	21/12/2018-Sold	1994	0.04	56704	1.16
	30/12/2018-Purchase	130296	2.66	187000	3.82
	31/12/2018-Sold	130296	2.66	56704	1.16
	22/02/2019-Purchase	32	0.00	56736	1.16
	01/03/2019-Purchase	216	0.00	56952	1.16
	08/03/2019-Purchase	143	0.00	57095	1.16
	15/03/2019-Purchase	366	0.01	57461	1.17
	22/03/2019-Purchase	588	0.01	58049	1.18
	29/03/2019-Purchase	105	0.00	58154	1.19
	At the end of the year	-	-	58154	1.19
7.	Ajit Kumar Surana				
	At the beginning of the year	13250	0.27	13250	0.27
	Bought/ Sold during the year				
	13/04/2018-Sold	250	0.00	13000	0.06
	22/01/2018-Sold	1900	0.03	11100	0.22
	06/07/2018-Purchase	110	0.00	11210	0.22
	13/07/2018-Purchase	251	0.00	11461	0.23
	03/08/2018-Purchase	300	0.00	11761	0.24
	22/08/201-Sold	300	0.00	11461	0.23
	29/09/2018-Sold	200	0.00	11261	0.23

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	21/12/2018-Purchase	2500	0.05	13761	0.28
	30/12/2018-Purchase	5600	0.11	19361	0.39
	31/12/2018-Sold	5600	0.11	13761	0.28
	04/01/2019-Purchase	547	0.01	14308	0.29
	11/01/2019-Sold	47	0.00	14261	0.29
	29/03/2019-Purchase	11	0.00	14272	0.29
	At the end of the year	-	-	14272	0.29
8.	Alok Lodha				
	At the beginning of the year	10081	0.20	10081	0.20
	Bought / Sold during the year				
	11/05/2018-Purchase	1912	0.03	11993	0.24
	21/12/2018-Sold	1768	0.03	10225	0.20
	30/12/2018-Sold	10225	0.20	0	0
	31/12/2018-Purchase	10225	0.20	10225	0.20
	At the end of the year	-	-	10225	0.20
9.	Shree Naman Securities and Finance Private Limited				
	At the beginning of the year	7650	0.15	7650	0.15
	Bought/ Sold during the year				
	13/04/2018 - Sold	150	0.00	7500	0.15
	27/04/2018-Purchase	525	0.01	8025	0.16
	04/05/2018-Sold	60	0.00	7965	0.16
	11/05/2018-Purchase	100	0.00	8065	0.16
	18/05/2018-Purchase	225	0.00	8290	0.16
	24/05/2018-Sold	364	0.00	7926	0.16
	01/06/2018-Purchase	34	0.00	7960	0.16
	08/06/2018-Sold	141	0.00	7819	0.16
	15/06/2018-Purchase	392	0.00	8211	0.16
	22/06/2018-Sold	2761	0.05	5450	0.11
	29/06/2018-Purchase	320	0.00	5770	0.11
	06/07/2018-Sold	345	0.00	5425	0.11
	13/07/2018-Purchase	20	0.00	5445	0.11
	20/07/2018-Purchase	25	0.00	5470	0.11
	27/07/2018-Purchase	452	0.00	5922	0.12
	03/08/2018- Purchase	203	0.00	6125	0.12
	22/08/2018-Sold	25	0.00	6100	0.12
	24/08/2018-Purchase	50	0.00	6150	0.12
	31/08/2018-Purchase	205	0.00	6355	0.13
	07/09/2018-Purchase	45	0.00	6400	0.13
	14/09/2018-Purchase	185	0.00	6585	0.13
	29/09/2018-Purchase	174	0.00	6759	0.13
	05/10/2018-Purchase	218	0.00	6977	0.14
	12/10/2018-Purchase	75	0.00	7052	0.14
	19/10/2018-Purchase	59	0.00	7111	0.14
	26/10/2018-Purchase	26	0.00	7137	0.14
	02/11/2018-Purchase	160	0.00	7297	0.14
	21/12/2018-Sold	442	0.00	6855	0.14
	30/12/2018-Sold	6830	0.13	25	0.00
	31/12/2018-Purchase	7061	0.14	7086	0.14
	04/01/2019-Purchase	49	0.00	7135	0.14
	11/01/2019-Purchase	151	0.00	7286	0.14
	18/01/2019-Sold	70	0.00	7216	0.14
	25/01/2019-Purchase	25	0.00	7241	0.14
	01/02/2019-Sold	56	0.00	7185	0.14

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	08/02/2019-Sold	208	0.00	6977	0.14
	15/02/2019-Sold	203	0.00	6774	0.13
	22/02/2019-Purchase	50	0.00	6824	0.13
	01/03/2019-Sold	106	0.00	6718	0.13
	08/03/2019-Sold	26	0.00	6692	0.13
	15/03/2019-Purchase	31	0.00	6723	0.13
	22/03/2019-Purchase	10	0.00	6733	0.13
	29/03/2019-Sold	125	0.00	6608	0.13
	At the end of the year	-	-	6608	0.13
10.	Banaras House Engineering Private Limited				
	At the beginning of the year	5000	0.10	5000	0.10
	Bought/ Sold during the year				
	13/04/2018 – Sold	3000	0.06	2000	0.04
	20/04/2018 – Sold	1000	0.02	1000	0.02
	11/05/2018-Purchase	1599	0.03	2599	0.05
	24/05/2018-Purchase	2401	0.04	5000	0.10
	15/06/2018-Purchase	3300	0.06	8300	0.16
	22/06/2018- Sold	2700	0.05	5600	0.11
	06/07/2018-Purchase	600	0.01	6200	0.11
	27/07/2018-Purchase	200	0.00	6400	0.13
	30/12/2018-Sold	6400	0.13	0	0
	31/12/2018-Purchase	6400	0.13	6400	0.13
	At the end of the year	-	-	6400	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
A.1	Directors:				
	Mr. Harmesh Mohan Sood-Director				
	At the beginning of the year	20	00	20	00
	Bought / Sold during the year	00	00	20	00
	At the end of the year	-	-	20	00
B.1	Key Managerial Personnel (KMPs):				
	Mr. Sudhir Avasthi- CEO				
	At the beginning of the year	100	00	100	00
	Bought/Sold during the year	00	00	100	00
	At the end of the year	-	-	100	00

None of the other Directors and Key Managerial Personnel of the Company holds shares in the Company.

V. INDEBTEDNESS

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

(in Rupees)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,42,38,531	1,93,79,178	2,45,000	19,38,62,709
ii) Interest due but not paid	-	-	5,95,578	5,95,578
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17,42,38,531	1,93,79,178	8,40,578	19,44,58,287
Change in Indebtedness during the financial year				
• Addition	2,68,72,000	4,00,00,000	-	6,68,72,000
• Reduction	6,89,72,935	1,75,85,209	1,28,716	8,66,86,860
Net Change	(-) 4,21,00,935	2,24,14,791	(-)1,28,716	(-)1,98,14,860
Indebtedness at the end of the financial year				
i) Principal Amount	13,21,37,596	417,93,969	1,65,000	17,40,96,565
ii) Interest due but not paid	-	-	5,46,862	5,46,862
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	13,21,37,596	4,17,93,969	7,11,862	17,46,43,427

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		-	-	-	-	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil Nil Nil Nil				
2.	Stock Option	Nil				
3.	Sweat Equity	Nil				
4.	Commission - as % of profit - others, specify...	Nil				
5.	Others, please specify	Nil				
	Total (A)	Nil				
	Ceiling as per the Act					

B. Remuneration paid to other Directors:

(In Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mrs. Gita Bawa	Mrs. Asha Gadi	Mr. Harmesh Mohan Sood	Mrs. Preeti Mathur	
1.	Independent Directors					
	• Fee for attending board meetings/committee meetings	45,000/-	45,000/-	-	-	90,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	45,000/-	45,000/-	-	-	90,000/-
2.	Other Non-Executive Directors					
	• Fee for attending board meetings/committee meets	-	-	45,000/-	45,000/-	90,000/-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	45,000/-	45,000/-	90,000/-
	Total (B)=(1+2)	45,000/-	45,000/-	45,000/-	45,000/-	1,80,000/-
	Total Managerial Remuneration	45,000/-	45,000/-	45,000/-	45,000/-	1,80,000/-
	Overall Ceiling as per the Act.					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,24,58,400	16,16,292	6,82,608	1,47,57,300
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	12,07,711	1,85,246	96,052	14,89,009
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5.	Others:				
	Medical	5,17,513	42,091	-	5,59,604
	LTA	-	84,182	66,412	1,50,594
	Employer Provident Fund	14,95,008	1,21,224	47,820	16,64,052
	Any others	62,489	-	-	62,489
	Total	1,57,41,121	20,49,035	8,92,892	1,86,83,048

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT (COMPANY SECRETARY)					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board

Place: New Delhi
Date: 24th May, 2019

Sd/-
Harmesh Mohan Sood
Director
DIN: 07951620

Sd/-
Asha Gadi
Director
DIN:00110734

Annexure - 6

A. DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Not Applicable. (Company is not paying any remuneration to its directors).
(ii)	Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year.	- Mr. Sudhir Avasthi, CEO - 10% - Mr. Sanjeev Kothiala, CFO - 10% - Mr. Rakesh Kumar Thakur, Company Secretary - 15%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	10%
(iv)	Number of permanent employees on the rolls of Company.	177
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	- Average increase in remuneration of Managerial Personnel - 10% - Average increase in remuneration of employee other than Managerial Personnel -10%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the Nomination and Remuneration policy for Directors, KMP and other employees of the Company, formulated pursuant to the provision of section 178 of the Company Act, 2013.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Justification for entering into such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NA

For and on behalf of the Board

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

Sd/-
Asha Gadi
Director
DIN:00110734

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], the report containing the details of Corporate Governance of Milkfood Limited is as follows:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company firmly believes that Corporate Governance is crucial to the very existence of a company, as the implementation of Code on Corporate Governance goes a long way in attainment of the highest levels of transparency, accountability and equity in all facets of operations. Your Company is committed to the adoption of best Corporate Governance Practices.

BOARD OF DIRECTORS:

As on 31st March, 2019, the Board of Directors of the Company has four members. The Board is primarily responsible for the overall management of the Company's business. None of the Directors are related to each other. The composition of the Board of Directors is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013.

None of the Directors of the Company is a member of more than ten Committees or Chairman of more than five Committees across all companies in which he/she is a Director.

During the financial year 2018-19, nine Board meetings were held i.e. on 30.04.2018, 25.05.2018, 07.08.2018, 04.09.2018, 02.11.2018, 13.11.2018, 20.12.2018, 29.01.2019 and on 01.03.2019.

Composition of Board of Directors as on 31st March, 2019 and other details are as under:

Name	Category	No. of Board Meeting held during the financial year 2018-19	No. of Board Meetings attended	Whether previous AGM held on 26th Sept., 2018 attended	No. of Directorships held in other companies*	No. of Committee positions held in other public limited companies as a Chairman	No. of Committee positions held in other public-limited companies as a Member
Mrs. Asha Gadi	Non -Executive Independent Director	9	9	Yes	3	Nil	Nil
Mrs. Gita Bawa	Non -Executive Independent Director	9	9	No	5	Nil	Nil
Mr. Harmesh Mohan Sood	Non -Executive Non Independent Director	9	9	Yes	1	Nil	Nil
Mrs. Preeti Mathur	Non -Executive Non Independent Director	9	9	Yes	Nil	Nil	Nil

*Directorship held in other companies by the Directors of the Company is on the basis of the information furnished by the Directors.

Mr. Harmesh Mohan Sood and Mrs. Preeti Mathur were appointed as the Additional Directors of the Company in the Board meeting held on 29th September, 2017 in the category of Non Executive Non Independent Directors. Their appointment was regularized by the members in the Annual General Meeting held on 26th September, 2018.

INDEPENDENT DIRECTORS' MEETING:

During the year under review, a separate meeting of the Independent Directors was held on 31st December, 2018, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors Viz. Mrs. Gita Bawa and Mrs. Asha Gadi were present at the meeting. The following issues were discussed in detail:

- Review the performance of non-independent directors and the Board as a whole;
- Assessment of the quality, quantity and timeliness flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

NO. OF SHARES HELD BY THE NON EXECUTIVE DIRECTORS:

None of the Non Executive Directors of the Company held any shares of the Company except Mr. Harmesh Mohan Sood who holds 20 shares of the Company.

AUDIT COMMITTEE:

The Audit Committee of the Company comprises of two Independent Directors and one Non Executive Non Independent Director. The terms of reference, role and powers of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2019, the composition of the Audit Committee is as follows:

Name	Designation
Mrs. Asha Gadi	Chairperson
Mrs. Gita Bawa	Member
Mr. Harmesh Mohan Sood	Member

Mr. Rakesh Kumar Thakur, Company Secretary, acts as the Secretary of the Committee.

During the financial year 2018-19, the Audit Committee held five meetings i.e. on 30th April, 2018, 25th May, 2018, 7th August, 2018, 13th November, 2018 and on 29th January, 2019.

Attendance at the meetings is as follows:

Name of Members	No. of meetings held during the financial year 2018-19	Meetings attended
Mrs. Asha Gadi	5	5
Mrs. Gita Bawa	5	5
Mr. Harmesh Mohan Sood	5	5

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of two Independent Directors and one Non Executive Non Independent Director. The terms of reference, role and powers of the Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2019, the Nomination & Remuneration Committee comprises of the following three Directors of the Company:

Name	Designation
Mrs. Asha Gadi	Chairperson
Mrs. Gita Bawa	Member
Mrs. Preeti Mathur	Member

During the financial year 2018-19, two meeting of the Committee were held on 30th April, 2018 and on 05th October, 2018.

Attendance at the meeting is as follows:

Name of Members	No. of meetings held during the financial year 2018-19	Meeting attended
Mrs. Asha Gadi	2	2
Mrs. Gita Bawa	2	2
Mrs. Preeti Mathur	2	2

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KMPs AND OTHER SENIOR EMPLOYEES:

The Nomination & Remuneration Committee has formulated a policy for selection and appointment of Directors, KMPs and senior employees and for the determination of their remuneration. The highlights of this policy are as follows:

1. Criteria of Selection of Non Executive Directors and Remuneration:

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge their functions and duties effectively.

- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for the appointment as a Director:
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board meetings/Committee meetings as may be approved by the Board of Directors within the overall limits as prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

2. Managing Director & Whole-time Director- criteria for selection/appointment and remuneration:

For the purpose of selection of Managing Director or Whole time Director, the Committee shall identify person of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration the recommendations, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration:

1. At the time of appointment or re-appointment, the Managing Director or Whole time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole time Director within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the members of the Company in their general meeting.
3. In determining the remuneration, the Committee shall ensure/consider the following:
 - a. The relationship of remuneration and performance benchmarks is clear.
 - b. Responsibilities required to be shouldered by the Managing Director or Whole time Director, the industry benchmarks and the current trends.

3. Remuneration Policy for the Senior Management Employees:

In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the Board level other than the Managing Director and Whole time Director), the Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the remuneration including annual increment is decided based on the criticality of the roles responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

DETAILS OF REMUNERATION PAID TO DIRECTORS:

The Company pays sitting fees to all the Non Executive Directors of the Company for the Board meetings attended by them. The sitting fees paid to the Non Executive Directors of the Company for the financial year ended on 31st March, 2019 is as follows:

S.No.	Name of Directors	Sitting fees
1.	Mrs. Gita Bawa	Rs. 45,000/-
2.	Mrs. Asha Gadi	Rs. 45,000/-
3.	Mr. Harmesh Mohan Sood	Rs. 45,000/-
4.	Mrs. Preeti Mathur	Rs. 45,000/-

STAKEHOLDERS RELATIONSHIP COMMITTEE:

In view of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee comprises of Non Executive Director as the Chairperson. The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 with particular reference to the complaints related to transfer of shares, grievances of shareholders and also functions in an efficient manner that all issues / concerns of the stakeholders are addressed / resolved promptly.

As on 31st March, 2019, the composition of the Stakeholders Relationship Committee is as follows:

Name	Designation
Mr. Harmesh Mohan Sood	Chairman
Mrs. Asha Gadi	Member
Mrs. Gita Bawa	Member

The Committee held two meetings during the financial year 2018-19. Attendance at meetings is as follows:

Date of Meeting	Mrs. Asha Gadi	Mrs. Gita Bawa	Mr. Harmesh Mohan Sood
30.04.2018	Yes	Yes	Yes
05.10.2018	Yes	Yes	Yes

During the year under review, no complaints have been received from the shareholders of the Company. Mr. Rakesh Kumar Thakur, Company Secretary, acts as the Secretary of the Committee and also as the Compliance Officer of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a Corporate Social Responsibility Committee comprising of three Directors. The composition of the Committee is as under:

1. Mr. Harmesh Mohan Sood, Non Executive Director – Chairman
2. Mrs. Asha Gadi, Independent Director – Member
3. Mrs. Preeti Mathur, Non Executive Director – Member

The Committee held three meetings during the financial year 2018-19. Attendance at meetings is as follows:

Date of Meeting	Mrs. Asha Gadi	Mrs. Preeti Mathur	Mr. Harmesh Mohan Sood
25.05.2018	Yes	Yes	Yes
20.12.2018	Yes	Yes	Yes
30.03.2019	Yes	Yes	Yes

The CSR Policy of the Company as approved by the Corporate Social Responsibility Committee is available on the website of the Company at www.milkfoodltd.com.

ANNUAL GENERAL MEETINGS:

Location and time for the last three AGMs:

Year	Date	Venue	Time	No. of Special Resolutions passed
2016	29.09.2016	Registered Office	9.00 A.M.	Nil
2017	26.09.2017	Registered Office	9.00 A.M.	Nil
2018	26.09.2018	Registered Office	9.00 A.M.	Nil

No resolution has been passed through Postal Ballot.

DISCLOSURE:

During the financial year 2018-19, the Company has entered upon related party transactions which have been disclosed in Note 33 to the Accounts.

There has not been any non compliance and no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets during the financial year under review.

The Company has complied with all the mandatory requirements as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company Secretary in Practice, Ms. Kamlesh Gupta, has issued certificate dated 24th May, 2019 that none of the directors on the Board of the Company have debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for Board Members and Senior Management Team of the Company. All Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code. A declaration to this effect duly signed by Mr. Sudhir Avasthi, Chief Executive Officer of the Company is annexed. The Code of Conduct has been posted on the website of the Company, www.milkfoodltd.com.

MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly financial results of the Company are forwarded to the Bombay Stock Exchange where the shares of the Company are listed immediately upon the approval by the Board of Directors and are published in English daily and in a Punjabi daily as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are posted on the Company's website.

Management Discussion and Analysis Report is annexed and forms part of the Annual Report.

GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting (AGM):

Date & Time	: 26 th September, 2019, 9.00 A.M.
Venue	: Registered Office
Book Closure Date	: 19 th September, 2019 to 25 th September, 2019 (both days inclusive)
Dividend	: Nil

Financial Calendar for 2019-20: (Tentative)

Financial Results for

First Quarter	: up to mid August, 2019
Second Quarter	: up to mid November, 2019
Third Quarter	: up to mid February, 2020
Fourth Quarter	: up to 30 th May, 2020

Market Price Data:

High and Low market price during each month in last financial year from April, 2018 to March, 2019 at Bombay Stock Exchange Limited (BSE) is as follows:

*(In Rs.)

Month	High	Low	Sensex High	Sensex Low
April,18	679	452	35213	32973
May,18	664	465	35994	34303
June,18	675	496	35877	34785
July,18	588	520	37645	35107
August,18	585	503	38990	37129
September,18	569	422	38934	35986
October,18	455	331	36617	33292
November,18	410	318	36389	34303
December,18	339	276	36555	34426
January,19	340	271	36701	35376
February,19	305	241	37172	35287
March, 19	315	280	38749	35927

*Rounded off to the nearest rupee.

Registrar and Share Transfer Agent:

M/s. Alankit Assignments Ltd., 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055 acts as Registrar and Share Transfer Agent of the Company.

However, keeping in view the convenience of shareholders documents relating to shares and other correspondence will continue to be received by the Company at the Head Office at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019.

Share Transfer System:

The Company's Registrar and Share Transfer Agent, M/s. Alankit Assignments Ltd. has adequate infrastructure to process the share transfers. The requests received for the transfer of shares are processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Demat requests are processed within 21 days from the date of receipt to give credit of the shares through the Depository.

Distribution of Shareholding as on 31st March, 2019:

Share holding of nominal value of Rs.	No. of shareholders	No. of shares held	% age of total shareholding (Rounded off)
1-5000	4325	740513	15.15
5001-10000	2	13008	0.27
10001-20000	2	24497	0.50
20001-30000	2	48250	0.99
30001-40000	0	0	0
40001-50000	0	0	0
50001-100000	1	58154	1.19
100001 and above	7	4002018	81.90
Total	4339	* 4886440	100.00

Shareholding pattern as on 31st March, 2019:

Particulars	No. of shares held	%age of shares held (Rounded off)
Promoters & Promoter Group	2448334	50.10
Mutual Funds	2600	00.05
Banks, Financial Institutions & Insurance Companies	500	00.01
FPIs	323849	6.63
Corporate Bodies	1371102	28.06
Indian Public	727913	14.90
NRIs/OCBs	11642	00.24
Trust/Custodian	500	00.01
Total	*4886440	100.00

*includes 2875 partly paid up equity shares.

Dematerialization of Shares and Liquidity:

As the members are aware, your Company's shares are tradable compulsory in electronic form and your Company has established the electronic connectivity with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialization of the Company's Shares on either of the Depositories as aforesaid.

As on 31st March, 2019, 93.41% Equity Capital was held in dematerialized form and the balance in physical form.

Plant Locations:

Patiala Plant: P.O. Bahadurgarh, Distt. Patiala -147021, Punjab

Moradabad Plant: Village Mugalpur, Urf Agwanpur, Kanth Road, Distt. Moradabad (U.P.)

Address for correspondence:

Registered Office: P.O. Bahadurgarh, Distt. Patiala-147021, Punjab.

Tel: 0175-2381404, Fax: 0175-2380248

Head Office & Share Department: 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019. Tel: 011-26460670, Fax: 011-26460823

Investors' e-mail ID: investor_grievances_redressal@milkfoodltd.com, sectl@milkfoodltd.com

Website : www.milkfoodltd.com

Information on Directors seeking appointment/re-appointment at this Annual General Meeting

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & the relevant provisions of Companies Act, 2013 and pursuant to the Secretarial Standards, S S-2.

Reappointment of Mrs. Preeti Mathur, Director: DIN 07951647

In terms of Section 152(6) of the Companies Act, 2013, Mrs. Preeti Mathur, Director (DIN: 07951647), retires by rotation at this Annual General Meeting and being eligible herself for reappointment. She was appointed as a Director of the Company w.e.f. 29th September, 2017. Her date of birth is 17/08/1964 and she is 54 years old. She is post graduate. She has vast experience in business management and administration. She is not related with any other Director of the Company.

She is not holding the Directorship of any other Company. She is not holding the Chairpersonship/Membership of any of the Committees in any other public limited Company.

Other details relating to the sitting fees paid, number of shares held in the company, number of Board meetings attended during the financial year 2018-19 are given in the Corporate Governance Report.

Reappointment of Mrs. Asha Gadi, as Independent Director: DIN 00110734

Mrs. Asha Gadi (DIN: 00110734) was appointed as the Additional Director of the Company w.e.f. 7th October, 2002 by the Board of Directors and further she was appointed as the Non Executive Independent Director by the members of the Company in the 41st Annual General Meeting (AGM) of the Company held in the calendar year 2014 for the a term of 5 (five) years and her term of office expires at this 46th Annual General Meeting. The Board recommends her reappointment for a further term of 5 years to hold the office upto the date of Annual General Meeting to be held in the calendar year 2024.

Her date of Birth is 23/07/1953 and she is 66 years old. She is graduate and has vast experience in the field of marketing. She is not related with any other Director of the Company.

She is holding the Directorship in Trikuta Enterprises Private Limited, Quick Return Investment Company Limited and Double Durable Investments Limited.

She is not holding the Chairpersonship/Membership of any of the Committees in any other public limited Company.

Other details relating to the sitting fees paid, number of shares held in the company, number of Board meetings attended during the financial year 2018-19 are given in the Corporate Governance Report.

Disclosure of Compliances with Corporate Governance Regulations specified in SEBI (LODR) Regulations

The Company has complied with all the applicable regulations of SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the Stock Exchange within 15 (fifteen) days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the Company's website.

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I, Sudhir Avasthi, Chief Executive Officer, hereby declare that the Code of Conduct adopted by the Company for its Board and Senior Management Personnel has been duly complied by all Board Members and Senior Management Personnel of the Company.

New Delhi
24th May, 2019

Sd/-
Sudhir Avasthi
Chief Executive Officer

Management Discussion And Analysis:

INDUSTRY STRUCTURE, OUTLOOK AND DEVELOPMENT

India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth in the availability of milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. India also has the largest bovine population in the world. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, nearly all of the dairy produce in India is consumed domestically, with the majority of it being sold as fluid milk. On account of this, the Indian dairy industry holds tremendous potential for value-addition and overall development.

The laws regulating the safety and quality of food are in existence since 1899. The number of legislations and quality standards have also increased substantially with the passage of time and growth of the industry. The food sector in India is governed by a multiplicity of laws under different Ministries. The "Food Safety and Standards Act, 2006", aims to integrate the food safety laws in the country in order to systematically and scientifically develop the food processing industry and shift from a regulatory regime to self-compliance.

Organized dairy sector is growing and investor interest in dairy industry is also quite high.

The main aim of the Indian dairy industry is to enhance milk production and upgrade milk processing system by using innovative technologies.

OPPORTUNITIES AND THREATS

Opportunities

- (i) With increased income levels, demand of milk products has gone up. This would mean higher consumption of conventional milk products as also introduction of new milk based products.
- (ii) Milk is a preferred source of protein by Indian populace. Milk and milk products are therefore likely to get preference from consumers who look for protein rich food.
- (iii) India is the largest producer of buffalo milk which is a preferred variety of milk for making certain type of cheese. It offers a good export opportunity for Indian cheese made of buffalo milk.

Threats

- (i) Production of milk in India is very widely scattered in rural areas and at vast distances from the places of consumption i.e. urban areas.
- (ii) With increase in education level of young farmers, there is a tendency among the young folk to prefer white collar jobs over conventional dairy farming profession.
- (iii) With pressure on available land from food crops, there is hardly any scope of increasing cultivation of cattle feed.

GROWTH OUTLOOK

Milk production as well as production of milk products by organized sector is expected to grow at a robust pace. Higher rate of growth is expected in value added dairy products. Western dairy products, which currently occupy a small space, are likely to grow on a faster clip. Packaged milk and products are likely to progressively replace loose milk and products.

EXPANSION PLANS

Company holds on to its long term vision of becoming a significant player in the Dairy space.

RISKS & CONCERNS

With rise in education level of rural population, young generation of farmers is showing apathy for their ancestral profession. There is a tendency in them to prefer white collar jobs over dairy farming in its present form.

Government - both Central and State - have increased their focus on ensuring safe food products including milk products to the consumer. However, due to the lack of adequate testing process, lot of fear and confusion has been created in the minds of industry as well as consumers.

SEGMENT WISE /PRODUCT WISE REPORTING

The Company is operating in the single segment and engaged in the manufacture and sales of dairy products i.e. pure ghee, skimmed milk powder, whole milk powder, casein, de-mineralized whey powder and dairy whitener. Therefore, segment wise information has not been disclosed.

INTERNAL CONTROL SYSTEM

The Company has structured the internal control system. In view of the large size of the business and to enforce highest levels of transparency, the Company has appointed an independent firm of Chartered Accountants, M/s Lalit Kumar & Co. to act as the internal auditor of the Company covering nearly all aspects related to the working of the Company. The Company has paid particular attention on proper maintenance of equipments to ensure that they are operated at the rated capacities. The Company has taken the effective steps for the reduction of cost and to improve the quality of the product.

The integrated financial accounting system supported by inbuilt controls, ensures reliable and timely financial and operational reporting.

The management has taken the stringent steps to give better milk products to the consumer.

Establishment of milk collection centers and chilling centers has enhanced the life of raw milk and has minimized the wastage.

FINANCIAL PERFORMANCE

Financial performance of the Company has been given separately in the Directors' Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

It goes without saying that human resource is of primary importance to any productive activity. In a dairy plant, which is considered to be highly labour intensive, the proper planning and use of human power become highly significant to get proper productivity.

Manpower in the form of labours, supervisors and management personnel are properly selected and deployed to have optimum output and to carry out operations smoothly. Company has laid high emphasis on suitable policies and strategies to up keep the high level of human motivation towards the plant operations. Company is aimed to establish the atmosphere that all human resource from labours to managers behaves in the context of the organizational objectives.

DISCLAIMER STATEMENT

Statements made in the Report describing the current industry structure, development are based on certain assumptions and expectations. The Company cannot guarantee that these assumptions and expectations are accurate.

For and on behalf of the Board

Place : New Delhi
Date : 24th May, 2019

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

Sd/-
Asha Gadi
Director
DIN:00110734

CERTIFICATE ON THE COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Milkfood Limited

I have examined the compliance of conditions of Corporate Governance by M/s Milkfood Limited for the year ended March 31, 2019, as per the relevant applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of corporate governance is the responsibility of the Management. My 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 any expression of opinion on the financial statements of the Company.

On the basis of my review and according to the information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. A-13862

C.P. No. 10451

Place : Gurugram

Date : 24th May, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

Milkfood Limited

P.O. Bahadurgarh

Distt. Patiala,

Punjab

I have examined the relevant registers, records, forms and returns maintained/filed by **Milkfood Limited** (CIN: L15201PB1973PLC003746) having its Registered Office at P.O. Bahadurgarh, Distt. Patiala, Punjab, referred to as "the Company") and notices and disclosures received from the Directors of the Company and produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including verification of Director Identification Number status at the portal www.mca.gov.in) as considered necessary by me and explanations furnished to me by the Company, I hereby certify that none of the Directors on the Board of the Company as on March 31, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. A-13862

C.P. No. 10451

Place : Gurugram

Date : 24th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Milkfood Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Milkfood Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter:

Attention is drawn to the Note no 3(iv) regarding depreciation on casein plant, Note no 4 regarding biological assets, Note no 6(i) & (ii) regarding trade receivable, Note no 7(i) regarding security deposits, Note no 7(ii) & 10(i) regarding amount due from employees, Note no 8(iii) regarding insurance claim receivable, Note no 9(i) regarding non-moving stocks, Note no 13(i) regarding advance to suppliers, Note no 17(i) regarding classification of security deposit received, Note no 20(i) regarding MSME suppliers, Note no 27(i) regarding remuneration paid to KMP and Note no 30(iv) regarding rent paid to related parties.

Our opinion is not qualified in respect of these matters.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

The Key Audit Matter	How to the matter was addressed in our audit
The company operates in various states within India, exposing it to a variety of different Central and State Laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigation and claims. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. At March 31, 2019, the Company's contingent liabilities for	Our procedures included: Reviewing the outstanding litigations against the Company for consistency with the previous years. Enquire and obtain explanations for movement during the year. Discussing the status of significant known actual and potential litigations with the Company's in-house officials and other senior management personnel who have knowledge of these matters and assessing their responses. Reading the latest correspondence between the Company and the various tax/legal authorities and review of

The Key Audit Matter	How to the matter was addressed in our audit
legal matters were Rs. 116 Lakhs (refer Note to the standalone financial statement) and provision for legal matters aggregated Nil. The most significant contingent liability pertains to tax of Rs.71 Lakhs levied by u/s 47 of Rajasthan Sales Tax Act. 1994. The tax has been levied on account of non-deposit of sale tax by the consignment agent of the company. Department is of the view that liability of principal and agent is joint and several. Management applies significant judgment in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially overtime as new facts emerge as each legal case progresses. Given the inherent complexity and magnitude of potential exposures across the Company and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	correspondence with / legal opinions obtained by the management, from external legal advisors, where applicable, for significant matters and considering the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters. Examining the Company's legal expenses and reading the minutes of the board meetings, in order to ensure that all cases have been identified. With respect to tax matters, involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Company's disclosures.
To comply with Pollution Control measures, company has obtained consent for discharge of water for cultivation of Eucalyptus trees. The amount spent is of Rs. 24 Lakhs in this year and Rs. 219 Lakhs up to March 31, 2019. Company has capitalized the same under Biological Assets within meaning of Ind AS 41. It is certified by the agriculture scientist that the realizable value on sale of these trees would not be less than the cost incurred. There is uncertainty of realization on sale of trees. Hence it is considered as a Key Matter.	We have performed adequate procedures and have perused various documents of authorities and other supporting documents for incurring of expenditures. Regarding realisation of the amount we have relied upon the certificate of the expert. (Refer Note no 4 of the Standalone financial statement).

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. With respect to matter to be included in the Auditor,s report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration to its directors for the year ended March 31, 2019. Therefore provision of section 197 (16) are not applicable.

3. As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

for V. P. Jain & Associates

Chartered Accountants

Firm’s registration number: 015260N

Sarthak Madaan

Partner

Membership number: 547131

Place: New Delhi

Date: 24th May 2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **Milkfood Limited**("the company") on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i) In respect of fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a programme of verification of fixed assets to cover all the items in a phased manner 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 assets. Pursuant to the said programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company and certificate provided by the bank, the title deeds of immovable properties are held in the name of the Company. Original copy of title deed has not been produced as the same is deposited as security with bank under loan agreement as confirmed by the management & Bank.
- (ii) In respect of its inventories:
- As explained to us, inventories have been physically verified during the year by the Management at reasonable intervals, other than stock lying with third parties where certificates confirming physical inventory have been received.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans to party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The terms and conditions for grant of such loan is not prejudicial to the interest of company. However stipulation for repayment is not laid out. Company is in regular receipt of interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans and made any investment within the meaning of section 185 & 186 of the Act. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (v) According to the information and explanation given to us, the company has not accepted any deposits during the year. Company is of the view that provision of Section 74(1)(b) of the Act are complied with in pursuance of Rule 19 of the Acceptance of Deposits Rules, 2014. It is also confirmed by the company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) According to the information and explanations given to us and on the basis of our review of the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 we are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, Employees State insurance, income tax, GST, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2019 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, there are no dues of income tax, GST, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited as at 31.03.2019 on account of any dispute except as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount Rs/lakhs	Forum where dispute is pending
1	U.P. Vat Act, 2008	Regular demand for Assessment year 2016-17	37.24	Before Addl. Commissioner (Appeals), Moradabad.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government during the year.
- (ix) In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration within the meaning of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak Madaan

Partner

Membership number: 547131

Place: New Delhi

Date: 24th May 2019

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Milkfood Limited**("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

SarthakMadaan

Partner

Membership number: 547131

Place: New Delhi

Date: 25th May 2018

Balance Sheet

as at 31st March, 2019

Particulars	Notes	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
A ASSETS			
1 Non-current assets			
Property, plant and equipment	3A	16,621	16,332
Capital work in progress	3B	173	149
Biological assets	4	219	195
Financial assets			
- Investments	5	2	2
- Trade receivable	6	10	93
- Deposit, loans & advances	7	116	115
Other non-current assets	8	468	124
Total non-current assets		17,609	17,010
2 Current assets			
Inventories	9	6,809	7,455
Financial assets			
- Trade receivables	6	2,199	486
- Loans	10	80	163
- Cash and cash equivalents	11	461	75
- Others	12	14	21
Other current assets	13	1,087	715
Total current assets		10,650	8,915
TOTAL ASSETS		28,259	25,925
B EQUITY AND LIABILITIES			
1 Shareholders' funds			
Equity share capital	14	489	489
Other equity	15	10,340	9,331
Total equity		10,829	9,820
2 Non-current liabilities			
Financial liabilities			
- Borrowings	16	933	1,225
- Other financial liabilities	17	5,827	4,704
Deferred tax liabilities (net)	31C	594	279
Provisions	18 A	207	190
Total non - current liabilities		7,561	6,398
3 Current liabilities			
Financial liabilities			
- Borrowings	19	4,157	5,068
- Trade payable	20	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than above		4,448	3,270
- Other financial liabilities	21	980	949
Other current liabilities	22	140	348
Provisions	18B	94	72
Current tax liabilities (net)	31A	50	-
Total current liabilities		9,869	9,707
TOTAL EQUITY & LIABILITIES		28,259	25,925

Significant accounting policies 1

The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date

For **V. P. Jain & Associates**

Chartered Accountants

FRN. 015260N

SARTHAK MADAAN

Partner

Membership No.: 547131

Place : New Delhi

Date : 24th May, 2019

For & On behalf of the Board of Directors of Milkfood Ltd

Harmesh Mohan Sood

Director
07951620

Gita Bawa

Director
00111003

Asha Gadi

Director
00110734

Rakesh K Thakur
Company Secretary

Sanjeev Kothiala
C.F.O

Sudhir Avasthi
C.E.O

Statement of Profit and Loss

for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31 March, 2019 (Rs. in Lakhs)	For the year ended 31 March, 2018 (Rs. in Lakhs)
1 Revenue from operations	23	53,059	49,093
2 Other income	24	31	20
3 Total revenue (1+2)		53,090	49,113
4 Expenses			
(a) Cost of materials consumed	25	45,178	42,758
(b) Changes in inventories of finished goods and work-in-progress	26	651	103
(c) Employee benefits expenses	27	2,017	1,497
(d) Finance cost	28	788	1,047
(e) Depreciation and amortisation expenses	29	683	635
(f) Other expenses	30	2,436	2,103
Total expenses		51,753	48,143
5 Profit before tax (3-4)		1,337	970
6 Tax expense/ (credit) (net)			
(a) Current tax	31B	295	189
(b) Earlier year tax expenses		17	-
(c) MAT credit recognition		(322)	-
(d) Deferred tax	31C	323	(35)
Total tax expenses / (credit)		313	154
7 Profit/(loss) for the period (5-6)		1,024	816
8 Other comprehensive income:			
(a) Items that will not be reclassified to Statement of Profit and Loss			
Re-measurement gains/ (losses) on defined benefit plans		(22)	(38)
Tax impact on re-measurement gain/ (losses) on defined benefit plans		7	13
Total other comprehensive income/ (losses)			
for the year (net of taxes)		(15)	(25)
Total comprehensive income for the year		1,009	791
9 Earnings per share (of Rs 10/- each):			
Basic and diluted - in Rs.	32	20.94	16.69
Significant accounting policies	1		

The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date

For **V. P. Jain & Associates**

Chartered Accountants

FRN. 015260N

SARTHAK MADHAN

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Membership No.: 547131

Place : New Delhi

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Cash Flow Statement

for the year ended 31st March, 2019

	For the year ended 31 March, 2019 (Rs. in Lakhs)	For the year ended 31 March, 2018 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net profit before taxation	1337	970
Adjustments for:		
Depreciation and amortisation expense	683	635
Finance costs	788	1047
Liabilities no longer required written back	-	(11)
Provision for doubtful debts/ bad debts/ written off	26	5
Loss on sale of properties, plant & equipment	17	-
Interest income	(25)	(9)
Operating profit before working capital changes	2826	2638
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Inventories	646	60
Trade receivables	(1656)	1064
Other current & non current assets	(340)	(458)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1178	724
Other current & non current liabilities	946	(1173)
Provisions	17	49
Cash Generated From Operations	3617	2903
Income tax (paid) /refund (net)	(226)	(173)
Net cash flow from operating activities (A)	3391	2730
B. Cash flow from investing activities:		
Capital expenditure on property, plant and equipments (including CWIP)	(1045)	(479)
Investment in biological assets	(24)	(16)
Proceeds from sale of properties, plant and equipment	30	4
Interest received	25	9
Net cash flow used in investing activities (B)	(1014)	(482)
C. Cash flow from financing activities:		
Repayment of borrowings	(1203)	(1233)
Finance cost paid	(788)	(1047)
Net cash flow used in financing activities (C)	(1991)	(2280)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	386	(32)
Cash and cash equivalents at the beginning of the year	75	107
Cash and cash equivalents at the end of the year	461	75

- The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Indian Accounting Standard 7 'Statement of Cash Flows'.
- Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification. The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date
For **V. P. Jain & Associates**
Chartered Accountants
FRN. 015260N

For & On behalf of the Board of Directors of Milkfood Ltd

SARTHAK MADAAN
Partner
Membership No.: 547131
Place : New Delhi
Date : 24th May, 2019

Harmesh Mohan Sood
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NOTE 1 . CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Milkfood Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at P.O. Bahadurgarh-147021 Distt. Patiala (Punjab), India. Its shares are listed on Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacture and trade sale of dairy products. The company has two manufacturing locations, one in the state of Punjab at Patiala and one in the state of Uttar Pradesh at Moradabad.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and compliance with Ind AS

- (i) The Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.
- (ii) These financial statements were approved for issue by the Board of Directors on May 24, 2019.
- (iii) Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the relevant dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.2 Current versus non-current classification

All assets and Liabilities have been classified as current or non current considering the operating cycle of 12 months. Deferred tax assets and liabilities are classified as non –current assets and liabilities respectively.

2.3 Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using deemed cost convention and on an accrual method of accounting, except for defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

2.4 Fair value measurement

Fair value is the price that would be received to sell an assets or paid to transfer a liabilities in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosed in these financial statement is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows ; level I - III

Level I input

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date, A quoted market in an active market provided the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available , with limited exception . If an entity hold a position in a single assets or liabilities and the assets or liabilities is traded in an active market, the fair value of assets or liabilities held by the entity, even if the market normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level II input

Level II input are input other than quoted market prices included within level I that are observable for the assets or liabilities either directly or indirectly.

Level II inputs include:

- quoted price for similarly assets or liabilities in active market.
- quoted price for identical or similar assets or liabilities in market that are not active.
- input other than quoted prices that are observable for the assets or liabilities , for example –interest rate and yield curve observable at commonly quoted interval.
- implied volatilisise.
- credit spreads.
- input that are derived principally from or corroborated market data correlation or other means ('market corroborated inputs').

Level III input

Level III inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakh.

2.6 Property, Plant and Equipment

(i) Property, plant and equipment

The Company had applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in statement of Profit & Loss.

(ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes financing cost relating to borrowed funds attributable to construction.

(iii) Depreciation

The Company depreciates property, plant and equipment over the useful life as prescribed in schedule II of the Companies Act 2013 on the straight-line method from the date the assets are ready for intended use as described in para (ii) above. Assets in the course of construction and freehold land are not depreciated.

The estimated useful lives of assets are as follows:

- Buildings 30-60 years
- Plant and equipments 20 years*
- Furniture and fixtures 8 -10 years
- Vehicles 6 - 10 years (Instead of 8 – 10 years as prescribed under schedule II)
- Office equipments 3 - 6 years

(Including computer software)

*The management has reassessed the remaining useful life of Plant & Machinery with effect from 1st April 2014 in respect of Plant & Machinery, the company is consistently following the policy of charging depreciation over 20 years, notwithstanding certification by the Govt. approved valuer (Chartered Engineer) of the useful life of Plant

& Machinery of more than 35 years. This is in pursuance of proviso to sub clause (c) of clause 3 of schedule II of the Companies Act 2013.

Similarly for addition of Plant & Machinery during the year company has estimated the useful life of 20 years (15 years specified in Schedule II) based upon the certificate of suppliers / manufacturers of Plant & Machinery. Additions made during the year have been capitalized at the year end at Patiala and accordingly depreciation has been charged.

2.7 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates

2.8 Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an assets or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). If it is not possible to estimate the recoverable amount of an individual asset, the entity should determine the recoverable amount of the Cash Generated Unit (CGU) to which the asset belongs.

It is not possible to estimate the recoverable amount of the individual asset if:

- The asset's Value in use (VIU) cannot be estimated to be close to its fair value less cost to sell (FLVCS).
- The asset does not generate cash inflows that are largely independent of those from other assets.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted .

If the recoverable amount of an assets (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized immediately in the statement of Profit & Loss.

2.9 Cash and Cash equivalent

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and Loss.

(ii) Subsequent measurement of financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(iii) Derecognition of financial assets :

The Company derecognises a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and loss on disposal of that financial asset.

(iv) Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(v) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

(vi) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such on exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs comprises as follow:

- (i) Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost.
- (iii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- (iv) Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value. Inventories (including whey powder - by product) are valued on lower of cost or net realizable value.

2.13 Retirement Benefits

Company follows IND AS-19 as detailed below:-

- (a) Short-term benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- (b) Company provides bonus to eligible employees as per Bonus Act 2016 and accordingly liability is provided on actual cost at the end of the year.
- (c) Provident Fund:

The eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both employees and the company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

- (d) The Company has an obligation towards gratuity a defined benefit retirement plan covering all employees. The plan provides for a lumpsum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of Rs. 20 Lacs.

Company's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

2.14 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking in to account contractually defined terms of payment excluding others taxes or duties collected on behalf of the government. Specific recognition criteria described below must also be met before revenue is recognized.

- (a) Export sales are recognized on the basis of date of bill of lading.
- (b) Export entitlements i.e. duty free scrip and duty draw back are accounted for on the basis of export of goods on FOB value determined for custom purpose.
- (c) Conversion charges are recognized on completion of jobs.
- (d) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).

2.15 Manufacturing policy

The main raw material of the company is milk, which is used to produce Pure Ghee and various types of Milk Powders. For the last few years, the company has changed its policy to produce Pure Ghee and Milk Powders which conforms to the quality standards adopted by the company consistent with its brand image. Quantities of Pure Ghee and Milk Powders are purchased and processed in the plant to give effect to the manufacturing policy and produce a product of high quality on consistent basis. Company has utilized its facilities for conversion of Milk to Ghee / Butter & Milk Powder on job works basis.

2.16 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted

or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales / GST paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of sales/ GST paid, except:

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

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.18 Foreign Currency Transactions

Foreign Currency Transactions involving export sales are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the customs rate on the date of dispatch of goods. The difference between the rates recorded and the rates on the date of actual realization is transferred to difference in exchange fluctuation account. At the year end, the balances are converted at the year end rate and difference if any between the book balance and converted amount are transferred to the exchange fluctuation account. The premium or discount arising at the inception of a forward exchange contract is amortized as expenses / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income / expenses for the period. Non-monetary items that are measured in historical cost in a foreign currency are not retranslated.

2.19 Earning per shares

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares

2.20 Segment Reporting

The company is operating under a single segment i.e., "Dairy Products- comprising Ghee, Milk Powder, Casein, Whey powder and Dairy whitener" and therefore there are no reportable segments as per IND AS-108 "Segment Reporting" issued under section 133 of Companies Act 2013 read with rules 4A of Companies (Indian Accounting Standards) rules 2015.

2.21 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

2.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

2.23 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.24 Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which is known/materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (i) Property, Plant and Equipments –
- (ii) Intangible assets -
- (iii) Taxes on income -
- (iv) Retirement and other employee benefits -

Statement of changes in equity

for the year ended March 31, 2019

A. Equity share capital:

Issued, subscribed and fully paid up (Share of Rs. 10 each)

Particulars	No. of shares	Rs. In Lakhs
At 31 March 2018	4,886,440	489
Issued during the year	-	-
At 31 March 2019	4,886,440	489

B. Other equity

(Rs. in Lakhs)

Particulars	Reserve & Surplus		Total
	Retained Earnings	Securities Premium	
Balance as at 1st April, 2017	7,870	670	8,540
Profit for the year	816	-	816
Other comprehensive income for the year (net)	(25)	-	(25)
Balance as at 31st March, 2018	8,661	670	9,331
Profit for the year	1,024	-	1,024
Other comprehensive income for the year (net)	(15)	-	(15)
Balance as at 31st March, 2019	9,670	670	10,340

The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date

For & On behalf of the Board of Directors of Milkfood Ltd

For **V. P. Jain & Associates**

Chartered Accountants

FRN. 015260N

SARTHAK MADAN

Partner

Membership No.: 547131

Place : New Delhi

Date : 24th May, 2019

Harmesh Mohan Sood

Director

07951620

Gita Bawa

Director

00111003

Asha Gadi

Director

00110734

Rakesh K Thakur

Company Secretary

Sanjeev Kothiala

C.F.O

Sudhir Avasthi

C.E.O

Notes to Financial statements for the year ended 31 March, 2019

MILKFOOD LIMITED

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

3. Property, plant and equipment

A. Tangible Assets

(Rs. In Lakhs)

Particulars	Land	Building	Furniture & Fixtures *	Computers & Peripherals	Vehicles	Plant & Equipment	Total
(I) At cost or deemed cost							
As at 1 April 2017	7948	2863	93	96	727	5,287	17,014
Additions	-	12	9	9	81	388	499
Disposals	-	-	-	-	15	-	15
As at 31 March 2018	7,948	2,875	102	105	793	5,675	17,498
Additions	-	72	7	5	205	732	1,021
Disposals	-	-	-	-	75	35	110
As at 31 March 2019	7,948	2,947	109	110	923	6,372	18,409
(II) Accumulated depreciation							
As at 1 April 2017	-	108	9	5	104	310	536
Charge for the year	-	110	8	7	178	332	635
Deductions	-	-	-	-	5	-	5
As at 31 March 2018	-	218	17	12	277	642	1,166
Charge for the year	-	133	9	11	187	343	683
Deductions	-	-	-	-	38	23	61
As at 31 March 2019	-	351	26	23	426	962	1,788
Net block Value (I) - (II)							
As at 31 March 2019	7,948	2,596	83	87	497	5,410	16,621
As at 31 March 2018	7,948	2,657	85	93	516	5,033	16,332

(B) Capital work in progress:

As at 31 March, 2019	173
As at 31 March, 2018	149

Footnotes:

- (i) For details of Property, plant and equipment charged as security for borrowings. Refer Note 16.
- (ii) Estimated amount of capital contracts remaining to be executed is Rs. 225 Lakhs (P.Y. 2018 Rs. 8 Lakhs)
- (iii) *includes office equipments.
- (iv) Casein Plant which remained inactive in past has been partially used for the production of milk powder during the year. Accordingly depreciation has been charged.

Note 4. Biological assets

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Trees & Plantation	(i)	219	195
Total		219	195

Footnotes:

- (i) (a) Categorized as biological assets on the basis of certificate of agricultural scientist that trees have attained sufficient growth for sale and net realisable value is not less than the carrying amount as per Ind AS - 41.
- (b) Includes Rs 15 Lakhs spent towards consultancy charges for ETP discharge for re-use of water for better growth of trees and plantation and maintenance of green belt.

Notes to Financial statements for the year ended 31 March, 2019

Note 5. Financial assets - Investment

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Investment in equity shares - unquoted			
(a) MFL Trading Pvt. Ltd 10000 equity shares of 10 each (wholly owned subsidiary company)		1	1
(b) National saving certificates	(i)	1	1
Total		2	2

Footnotes:

- (i) Pledged with government authorities towards fulfillment of statutory obligations.

Note 6. Trade receivable

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Trade receivables			
Unsecured, considered good	(i)	2,199	579
Doubtful	(ii)	19	-
		2,218	579
Less: Allowance for expected credit loss	(ii) & (iii)	9	-
		2,209	-
Net Trade receivables			
Unsecured, considered good		2,199	579
Doubtful		10	-
		2,209	579
Current		2,199	486
Non-current	(ii)	10	93

Footnotes:

- (i) Includes Rs. 51.09 Lakhs due from Canteen Stores Department outstanding for more than one year. Substantial payments have been received subsequently and Management is of the view that remaining balance will be recovered in F.Y 2019-20. Hence it is categorised as current.
- (ii) Includes Rs.19 Lakhs due from a party against whom legal proceedings have been initiated. Company is of the view that amount will be recovered in due course. However company has provided 50% of the amount on account of expected loss because of late realization.
- (iii) In view of insignificant amount of bad debts and timely recovery in earlier years, no allowance for expected credit loss is made.
- (iv) No trade receivables are due from directors and other officers of the company either severally or jointly with any other person, or from firms or private companies in which any director is a partner, a director or a member.

Note 7. Deposits, loans & advances

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Security deposits			
Unsecured, considered good	(i)	113	114
(b) Loans and advances to employees	(ii)	3	1
Unsecured, considered good			
Total		116	115

Footnotes:

- (i) Includes Rs. 56 Lakhs with Govt departments and are shown at carrying amount. In respect of security deposits with non

Notes to Financial statements for the year ended 31 March, 2019

Govt. departments of Rs. 34 Lakhs given to various parties. Fair value has not been computed in view of insignificant effect. Further these amounts are considered good for recovery as certified by the management.

- (ii) Considered good for recovery as certified by the management.

Note 8. Other non current assets

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Prepaid expenses		23	17
(b) Capital advances		36	19
(c) Deposit with sales tax authorities	(i)	81	82
(d) MAT credit receivable	(ii)	322	-
(e) Others receivable	(iii)	6	6
Total		468	124

Footnotes:

- (i) Deposits with Sales Tax Authorities represent the amount deposited as a precondition for preferring appeal. Management, based upon the legal advice, is of the view that appeals will be decided in favour of company and hence are recoverable.
- (ii) Recognised u/s 115JB of the Income Tax Act.
- (iii) Includes Rs. 5.61 Lakhs (P.Y. Rs. 5.61 Lakhs) Insurance claim receivable, considered good for recovery, as certified by the management.

Note 9. Inventories

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Raw materials		15	16
(b) Work-in-progress		970	1,692
(c) Finished goods		5,053	4,982
(d) Stores and spares		491	532
(f) Packing materials	(i)	280	232
(e) CER (Units) (refer note 24 (i))		-	1
Total		6,809	7,455

Footnotes:

- (i) Includes non moving stock of Packing material of Rs. 45 lakhs(P.Y. Rs. 46 Lakhs). Management is of the view that the non moving stock will be utilised / disposed off in the financial year 2019-20. Adjustment if any shall be made in the subsequent year.
- (ii) For details of inventories provided as security for borrowings. Refer Note 19.
- (iii) The mode of valuation of inventories has been described in Note 2.12.

Note 10. Loans

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Loan to employees / others (Unsecured, considered good)	(i)	80	163
Total		80	163

Footnotes:

- (i) Loan to employees/others are considered good for recovery within 12 months of reporting date as certified by the management.

Notes to Financial statements for the year ended 31 March, 2019

Note 11. Cash and cash equivalents

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Cash on hand		2	1
(b) Balances with banks			
(i) In current accounts		6	3
(ii) In deposit accounts	(i)	2	2
(iii) Margin accounts	(ii)	451	69
Total		461	75

Footnotes:

- (i) Pledged with ACCT Dehradun and Moradabad towards sales tax.
- (ii) Towards bank guarantee given to govt. departments/corporations for performance obligations.

Note 12. Financial Assets - others

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Interest receivable		13	17
(b) Others receivable		1	4
Total		14	21

Note 13. Other current assets

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Prepaid expenses - unsecured, considered good		75	85
(b) Advance to suppliers - unsecured, considered good	(i)	470	438
(c) Balances with statutory / government authorities	(ii)	485	118
(d) Income tax refund	(iii)	17	64
(e) Earnest money deposit with Govt. Department		40	-
(f) Carbon credit receivable		-	10
Total		1,087	715

Footnotes:

- (i) Advance to suppliers include an amount of Rs. 281 Lakhs due from supplier against supplies to the company. Amount is confirmed by the supplier and will be adjusted in the F.Y. 2019-20. Further a sum of Rs. 114 Lakhs due from suppliers are confirmed and in the opinion of management will be adjusted / recovered in F.Y. 2019-20. It also includes Rs.12 Lakhs from Ispace Developers Private Limited. No interest is charged as the property is kept as security with the bank.
- (ii) Represent GST input credit (net).
- (iii) Refund of Rs.16.29 Lakhs is adjusted by the department against demand of AY 2007-08 which has not been cancelled due to non credit of Appeal effect of CIT(A) order. Company is in the process of filing application to seek appeal effect.

Notes to Financial statements for the year ended 31 March, 2019

Note 14. Share capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
(a) Authorised				
Equity shares of Rs.10 each	7,500,000	750	7,500,000	750
Cumulative redeemable preference shares of Rs. 100 each	50,000	50	50,000	50
Total	7,550,000	800	7,550,000	800
(b) Issued				
Equity shares of Rs. 10 each fully paid up	4,887,890	489	4,887,890	489
(c) Subscribed and Paid up				
Equity shares of Rs.10 each	4,886,440	489	4,886,440	489
Less: Calls in arrears		0		0
(Rs. 0.19 lakhs on 2875 partly paid shares)	4,886,440	489	4,886,440	489
Add: Amount paid on forfeited shares		0		0
(Rs. 0.07 lakhs on 1450 shares)				
Total	4,886,440	489	4,886,440	489
(d) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
At the beginning of the year	4,886,440	489	4,886,440	489
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,886,440	489	4,886,440	489

Footnotes:

- The Company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity share is eligible for one vote per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Singh Jaiswal	1,700,024	34.79%	1,700,024	34.79%
Ms Roshini Sanah Jaiswal	700,060	14.33%	700,060	14.33%
Dhanvani Investment Pvt. Ltd.	560,861	11.48%	560,861	11.48%
Sudha Commercial Co. Ltd.	489,103	10.01%	489,103	10.01%
National Westminster Bank PLC as trustee of the Jupiter India Fund	265,695	5.44%	210,457	4.31%

Note 15. Other equity

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Securities premium	(i)	670	670
(b) Retained earnings	(ii)	9,670	8,661
Total		10,340	9,331

Footnotes:

- Where the Company issues shares at premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium account". The company may issue fully paid-up bonus shares to its members out of balance lying in the securities premium account and the company can also use the premium for buy-back of shares.

- (ii) Includes revaluation reserve of Rs. 5,327 Lakhs (PY Rs. 5,368 Lakhs) [Net of increase in value of Land & Building of Rs 8,530 Lakhs and decrease in the value of Plant & Machinery of Rs 3,080 Lakhs as at 01.04.2016 after adjusting accumulated depreciation of Rs. 123 Lakhs (PY Rs. 82 Lakhs) on revalued figure].
- (iii) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 16. Long-term borrowings

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) From Banks: Secured at amortised cost		
Term Loan	582	998
Total (a)	582	998
(b) From Banks: Unsecured at amortised cost		
Term Loan	61	68
Total (b)	61	68
(c) From Others: Secured at amortised cost		
Vehicle Loan	145	101
Total (c)	145	101
(d) From Others-Unsecured at amortised cost		
Term Loan	148	8
Inter corporate deposits	-	50
Total (d)	148	58
Grand Total (a+ b+c+d)	936	1,225
Less: Unamortised finance cost	3	-
Total	933	1,225

Footnotes:-

- (i) Detail of loans:

	Non Current	Current Maturity	Total
a) From Banks: Secured at amortised cost			
Canara Bank @ 11.55% p.a. paid by Jan 2022	274	156	430
	(430)	(156)	(586)
SBI @ 11.55% p.a. paid by Jun 2021	308	266	574
	(568)	(268)	(836)
b) From Banks: Unsecured at amortised cost			
Kotak Mahindra Bank Ltd @15% p.a. paid by Nov 2020	61	149	210
	(68)	(71)	(139)
c) From Others: Secured at amortised cost			
Kotak Mahindra Prime Ltd @ 8.39% to 10.36% p.a. paid by Mar 2022	145	172	317
	(101)	(220)	(321)
d) From Others-Unsecured at amortised cost			
NBFC @ 15.50% paid by Apr 2022.	148	60	208
	(8)	(47)	(55)
Inter corporate deposit	0	0	0
	(50)	0	(50)
Total	936	803	1,739
	(1,225)	(762)	(1,987)

Figures in bracket relates to the previous year.

- (ii) The Loan of Canara Bank is secured by an exclusive charge on fixed assets to the extent of Rs.19.50 Crores and on pari-passu basis with State Bank of India on balance fixed assets including equitable mortgage of Land and Building by deposit of title deed in respect of Patiala Plant and Moradabad Plant. As per MCA 21 charge registered with Canara bank is of Rs. 20 Crores.

Note 17. Financial liabilities - others

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Security deposits	(i)	5,826	4,689
(b) Trade payable		-	14
(c) Other payable	(ii)	1	1
Total		5,827	4,704

Footnotes:

- (i) Security deposits are confirmed by the management and consignees/suppliers and are payable on demand after 31.03.2020.
(ii) Payable to ex-employee pending final decision of court.

Note 18. Provisions**(A) Non current**

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Provision for employee benefits:		
Gratuity	179	166
Compensated absences	28	24
Total	207	190

(B) Current

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Provision for employee benefits:		
Gratuity	79	59
Compensated absences	15	13
Total	94	72

Footnotes:

Provision for Gratuity and compensated absences has been made in terms of IND AS-19. (Refer note no. 33).

Note 19. Financial liabilities - short -term borrowings

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
From bank - secured			
Cash credit	(i)	4,157	5,068
Total		4,157	5,068

Footnotes:

- (i) Cash Credit sanctioned by State Bank of India/Canara Bank are secured by charge on pari passu basis on all present & future current assets (excluding vehicles) including stocks and book debts and extension of charge on pari-passu basis on the fixed assets of the company, equitable mortgage of land & building at Gurgaon owned by Ispace Developers Private Limited and exclusive charge on company's Brand "MILKFOOD".

Notes to Financial statements for the year ended 31 March, 2019

Note 20. Financial liabilities - Trade payable

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises	(i)	-	-
(b) Total outstanding dues of creditors other than above		4,448	3,270
Total		4,448	3,270

Footnote:

- (i) As per information available with the company and as certified there is no party registered under Micro, Small and Medium Enterprises Development Act, 2006.

Note 21. Other financial liabilities - current

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Current maturities of long term debts	(i)	799	762
(b) Public deposits with interest	(ii)	7	8
(c) Inter corporate deposit		-	50
(d) Outstanding expenses including salary & wages etc.		165	121
(e) Others (payable to employees)		9	8
Total		980	949

Footnotes:

- (i) Net of unamortised finance cost of Rs. 4 Lakhs (P.Y.Rs.Nil). Refer Note No.16
- (ii) Includes Rs.1.65 Lakhs (P.Y. Rs. 2.45 Lakhs) towards principal amount and Rs. 5.15 Lakhs (P.Y. Rs. 5.95 Lakhs) towards interest in respect of unclaimed matured deposits.
- (iii) Includes rent payable for earlier years of Rs. 2.82 Lakhs (P.Y. Rs. 2.82 Lakhs) pending court case.

Note 22. Other current liabilities

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, etc.)	75	53
(b) Advances from customers	65	295
Total	140	348

Notes to Financial statements for the year ended 31 March, 2019

Note 23. Revenue from operations

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Sale of products	(i)	52,401	47,992
(b) Other operating revenues	(ii)	658	1,101
Revenue from operations		53,059	49,093

Footnotes:

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(i) Sale of products comprises:		
- Ghee	52,174	42,436
- Milk powder	227	5,556
Total - Sale of products	52,401	47,992
(ii) Other operating revenues comprises:		
Sale of scrap	41	65
Conversion charges of milk to powder & butter	617	1,036
Total - Other operating revenues	658	1101

Note 24. Other income

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Interest income on bank deposits		23	9
(b) Interest on refund of taxes		2	-
(b) Others	(i)	6	11
Total		31	20

Footnotes:

- (i) Includes amount of Rs. 3.50 Lakhs (P.Y. Rs. Nil) towards excess recovery on VCS recoverable and input tax credit of excise duty on closing stock of packing material of Rs Nil (P.Y. Rs. 11 Lakhs) as on transition date of Goods and Services Tax Act.

Note 25. Cost of material consumed

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Raw materials			
Inventories at the beginning of the year		16	23
Add: Purchases		43813	41707
Less: Inventories at the end of the year		15	16
Consumption (a)	(i)	43815	41714
(b) Packing materials			
Inventories at the beginning of the year		232	198
Add: Purchases		1411	1078
Less: Inventories at the end of the year		280	232
Consumption (b)		1363	1044
Total (a+b)		45178	42758

Notes to Financial statements for the year ended 31 March, 2019

Footnotes:

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(i) Raw material consumed comprises:		
Milk	1,048	113
Fat & butter	42,678	36,784
Milk powder	80	4,815
Others	9	2
Total	43,815	41,714

Note 26. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	5,053	4,982
Work-in-progress	970	1,692
Total	6,023	6,674
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,982	6,103
Work-in-progress	1,692	674
Total	6,674	6,777
Net (increase)/decrease	651	103

Note 27 Employee benefit expenses

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Salaries, wages and other benefits	(i)	1833	1332
(b) Contributions to provident funds / ESI		86	68
(c) Gratuity & compensated absences	(ii)	47	53
(d) Staff welfare expenses		51	44
Total		2017	1497

Footnote:

- (i) (a) Remuneration of KMP is revised with effect from 01.04.2018 from Rs. 14.30 Lakhs per month to Rs. 25 Lakhs per month subject to shareholder's approval in coming AGM.
(b) Includes provision of minimum bonus of Rs. 26.10 Lakhs (P.Y. Rs. 12.29 Lakhs) under the payment of Bonus Act 2015.
- (ii) Provision for Gratuity and compensated absences has been made during the year in terms of IND AS-19 (refer note no. 35).

Note 28. Finance costs

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Interest expense on borrowings	733	949
(b) Other borrowing costs (Bank and other financing charges)	55	98
Total	788	1047

Notes to Financial statements for the year ended 31 March, 2019

Note 29. Depreciation & amortisation expenses

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Depreciation of property, plant and equipment (Refer Note no. 2 and 3A.)	683	635
Total	683	635

Note 30. Other expenses

(Rs. in Lakhs)

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Consumption of stores and spare parts		81	61
Power and fuel		684	736
Repairs and maintenance:			
- Building		6	13
- Machinery		60	48
Inventory written off		49	0
Freight & forwarding expenses		375	254
Commission		39	42
Selling & distribution expenses		84	148
Advertisement expenses		59	36
Rates and taxes		64	49
Rent	(i)	170	58
Auditors remuneration	(ii)	12	14
Office maintenance & house keeping		144	139
Legal & professional		96	85
Insurance expenses		65	69
Travelling & hotel expenses		72	73
Vehicle expenses		66	59
Watch & ward expenses		30	28
Postage & telephone expenses		22	21
Provision for doubtful debts		9	-
Net loss on sale of property, plant & equipment		17	0
Contribution for corporate social responsibility (CSR)	(iii)	7	-
Miscellaneous expenses	(iv)	225	170
Total		2436	2103

Footnote:

(i) Rent paid to related parties (refer note 33) are certified by the the management as per prevelant market rates and for business purposes of the company.

(ii) Auditors remuneration

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
- Audit fee	12	12
- Reimbursement of expenses		2
Total	12	14

(iii) Amount required for CSR contributed to Prime Minister relief fund.

(iv) Includes prior period expense of Rs. 7.65 Lakhs (P.Y. Nil), Misc Balances w/o 16.93 Lakhs (P.Y. Rs. 34.58 Lakhs), Income Tax (others) Rs. 39.59 Lakhs (P.Y. Rs. 14.87 Lakhs).

Note 31 (A). Current tax liabilities (net)

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Current tax liabilities (net of advance tax of Rs. 230 Lakhs and TDS of Rs.15 Lakhs)	50	-
Total	50	-

Note 31 (B) Tax expenses

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Income tax related to items charged or credited to statement of profit and loss during the year:		
(a) Statement of profit and loss		
Current tax	295	189
Earlier year tax Expenses	17	-
MAT credit	(322)	-
Deferred tax charge / (credit)	323	(35)
Total	313	154
(b) Other comprehensive income		
Deferred tax charge/(credit) on		
Re-measurement of defined benefit plan	(7)	(13)
Total	306	141
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	1,337	970
Applicable tax rate	33.38%	34.61%
Computed tax expenses	446	336
Effect of prior period adjustments in deferred tax	(146)	-
Adjustment recognised in current year in relation to current tax or prior years	17	-
Income recognised related to MAT credit (Net)	(27)	-
Non-deductible expenses for tax purposes		
Other non-deductible expenses	25	5
Others including differential rate of tax (MAT)	(10)	(187)
Income tax expense reported in statement of profit and loss account	306	154

Note 31 (C) Deferred tax

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2019			
	As at 01 April, 2018	Recognised in		As at 31 March, 2019
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,187	(179)	-	1,008
Others	-	-	-	-
(A)	1,187	(179)	-	1,008
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / unabsorbed depreciation	820	512	-	308
Provision for gratuity and compensated absences	88	(6)	(7)	101
Disallowances under section 43B of the Income Tax Act, 1961	-	(2)	-	2
Others	-	(3)	-	3
(B)	908	500	(7)	414
Deferred tax liability (net)	279	322	(7)	594

Notes to Financial statements for the year ended 31 March, 2019

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2018			
	As at 01 April, 2017	Recognised in		As at 31 March, 2018
		Profit & Loss	OCI	
Tax effect of items constituting deferred tax liability				
Property, plant and equipment	1,274	(87)	-	1,187
Others	-	-	-	-
(A)	1,274	(87)	-	1,187
Tax effect of items constituting deferred tax assets				
Carried forward loss / Unabsorbed depreciation	876	(56)	-	820
Provision for gratuity and compensated absences	71	4	13	88
Disallowances under Section 43B of the Income Tax Act, 1961	-	-	-	-
Others	-	-	-	-
(B)	947	(52)	13	908
Deferred tax liability (net)	327	(35)	(13)	279

Note 32. Earnings per share

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Basic and diluted		
Net profit attributable to equity shareholders (Rs. in Lakhs)	1024	816
Weighted average number of equity shares (Nos.)	4,886,440	4,886,440
Par value per share (In Rs.)	10	10
Earnings per share - Basic and diluted (in Rs.)	20.94	16.69

Note 33. Related party disclosures

(A) Details of related parties with whom the company had transactions during the year.

Description of relationship	Names of related parties
(a) Enterprises over which KMP, major shareholder is able to exercise significant influence	Jagatjit Industries Ltd., Pashupati Properties P.Ltd., Anjani Estate P.Ltd , Mata Construction & Builders P.Ltd & Ispace Developers Pvt.Ltd MFL Trading Pvt Ltd (Wholly owned subsidiary Company)
(b) Key Management Personnel (CEO/CFO/Company Secretary/Directors and their relatives)	Mr Karamjit Singh Jaiswal Ms Roshini Sanah Jaiswal Mr Sudhir Avasthi Ms Gita Bawa Ms Asha Gadi Mr Harmesh Mohan Sood Mr Sanjeev Kothiala Mr Rakesh K Thakur

Notes to Financial statements for the year ended 31 March, 2019

(B) Transactions with related parties during the year along with balances as at year end:

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
Electricity Expenses Paid	11 (11)	- -	11 (9)
Rent paid	53 (4)	- -	53 (4)
Services provided / Interest Income	52 (5)	- -	52 (2)
Sales	21	-	21
Loan given	55	-	55
Loan Repayment	47	-	47
Managerial Remuneration (including sitting fees)	-	660	660
	-	(425)	(304)
Amount receivable	57 (14)	- (1)	57 (15)

Footnote:

- (i) No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties.
- (ii) Related parties have been identified by the management.
- (iii) Figures in bracket relates to the previous year.

Note 34. Contingent liabilities

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Claims against the company not acknowledged as debts*		
Sales tax	116	89

Footnote

- (i) *The company is contesting these demands and the management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the standalone financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations. The company does not expect any reimbursements in respect of the above contingent liabilities.
- (ii) In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the company's results of operations or financial condition.

Note 35. Employee benefits

(A) Defined contribution plans

The company has recognised the following amounts in the statement of profit and loss:

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Employers' contribution to provident fund and family pension fund	80	62

(B) Defined benefit plans

The company operates on one defined benefit plan i.e., gratuity for its employees including Key managerial personnel except Ms Roshini Sanah Jaiswal and Mr Karamjit Singh Jaiswal. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service subject to maximum of Rs. 20 lakhs.

Notes to Financial statements for the year ended 31 March, 2019

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Expense recognised in the statement of profit and loss:		
Under profit and loss section		
Current service cost	21	19
Net interest cost	16	12
Past service cost	-	10
	37	41
Under other comprehensive income section		
Actuarial (gains)/losses		
Due to experience adjustments	23	40
Due to change in assumptions	(1)	(2)
	22	38
(b) Net liabilities recognised in the balance sheet		
Present value of obligation	258	225
Fair value of plant assets	-	-
Funded status (deficit)	258	225
Net liabilities recognised in the balance sheet accounted for as below:		
Provision non current (refer note 18 A)	179	166
Provision current (refer note 18 B)	79	59
(c) Present value of defined benefit obligation		
Present value of obligation at the beginning of year	225	187
Current cost	21	19
Interest cost	16	12
Remeasurement due to		
Actuarial loss/(gain) arising on account of experience changes	23	40
Actuarial loss/(gain) arising from change in financial assumptions	(1)	(2)
Past service cost	-	10
Benefits paid	(26)	(41)
Present value of defined obligation at the end of the year	258	225
(d) The principal assumptions used in determining defined benefit obligations:		
Discount rate	7.52%	7.60%
Salary increase rate	3.5% to 5%	3.5% to 5%
Attrition rate	5%	5%
Mortality Table	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

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.

(e) Sensitivity analysis:

	For the year ended 31 March, 2019	
	1% increase	1% decrease
Discount rate	(9)	9
Salary increase rate	10	(9)
Employee attrition rate	1	(1)

	For the year ended 31 March, 2018	
	1% increase	1% decrease
Discount rate	(9)	10
Salary increase rate	10	(9)
Employee turnover	1	(1)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

Notes to Financial statements for the year ended 31 March, 2019

Note: 36. Financial risk management objectives and policies

The company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include, trade and other receivables, cash and cash equivalents, bank balances and security deposits that are out of regular business operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	31 March, 2019		31 March, 2018	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(63)	63	(80)	80

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There does not seem to be any significant risk as transaction in foreign currency are very few.

As there is no significant foreign currency risk, sensitivity analysis showing impact on profit is not calculated.

iii. Commodity price risk

The company does not have significant risk in raw material price variations. In case of any variation in price, the same is passed on to customers through appropriate adjustment to selling prices.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counter party defaults on its obligations. The company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the company does not expect any credit risk with respect to these financial assets. Trade receivables in respect of sale of ghee, in majority of cases payment is received in advance and with respect to skimmed milk powder, the sale is institutional and expected credit loss is too low considering the past record.

(c) Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and security from consignment agents. The table below summarises the maturity profile of the company's financial liabilities:

(Rs. in Lakhs)

	Maturities			Total
	Upto 1 year	1-2 years	2-3 years	
31-Mar-19				
Non-current borrowings	-	647	289	936
Current borrowings	4,157	-	-	4,157
Trade payables	4,448	-	-	4,448
Other financial liabilities	980	5,827	-	6,807
Total	9,586	6,474	289	16,349

	Maturities			Total
	Upto 1 year	1-2 years	2-4 years	
31-Mar-18				
Non-current borrowings	-	626	599	1,225
Current borrowings	5,068	-	-	5,068
Trade payables	3,270	-	-	3,270
Other financial liabilities	949	4704	-	5,653
Total	9287	5330	599	15216

*Current borrowings represent working capital loan (Cash credit).

**Includes security deposit taken from supplier and consignment agent which is payable on demand but beyond 12 months from the reporting date as certified by the management and confirmed by the suppliers and consignees.

Note: 37. Capital management

For the purpose of the company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the company's capital management is to ensure that it maintains a good credit rating and capital ratios in order to support its business and maximise shareholder value.

The company monitors capital using a gearing ratio, which is net debt divided by total capital. The company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Non-current borrowings	933	1,225
Current maturities of non-current borrowings	806	820
Current borrowings	4,157	5,068
Less: Cash and cash equivalents	461	75
Net debt	5,435	7,037
Equity share capital	489	489
Other equity	10,340	9,331
Total capital	10,829	9,820
Gearing ratio	50%	72%

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Note 38. Fair value

Fair value measurement:

- All the financial assets and financial liabilities of the company are carried at amortised cost.
- The management assessed that the carrying values of trade and other receivables, deposit, cash and short term deposits, other assets, borrowings, trade and other payables reasonably approximate their fair values because these instruments have short-term maturities.
- It is view of the management that fair value impact of long term security deposits/loan paid or payable would not be material.

Note 39.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with Financial Statements prepared under Ind AS.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILKFOOD LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Milkfood Limited** (hereinafter referred to as the "Holding Company"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statement of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of matter:

Attention is drawn to the Note no 3(iv) regarding depreciation on casein plant, Note no 4 regarding biological assets, Note no 6(i) & (ii) regarding trade receivables, Note no 7(i) regarding security deposits, Note no 7(ii) & 10(i) regarding amount due from employees, Note no 8(iii) regarding insurance claim receivable, Note no 9(i) regarding non-moving stocks, Note no 13(i) regarding advance to suppliers, Note no 17(i) regarding classification of security deposits received, Note no 20(i) regarding MSME suppliers, Note no 27(i) regarding remuneration paid to KMP and Note no 30(iv) regarding rent paid to related parties. Our opinion is not qualified in respect of these matters.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

The Key Audit Matter	How to the matter was addressed in our audit
The Group operates in various states within India, exposing it to a variety of different Central and State Laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigation and claims.	Our procedures included: Reviewing the outstanding litigations against the Group for consistency with the previous years. Enquire and obtain explanations for movement during the year.

The Key Audit Matter	How to the matter was addressed in our audit
Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceeding, legal proceedings including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims. At March 31, 2019, the Group's contingent liabilities for legal matters were Rs. 116 Lakhs (refer Note no 34 to the consolidated financial statement) and provision for legal matters aggregated Nil. The most significant contingent liability pertains to tax of Rs.71 Lakhs levied by u/s 47 of Rajasthan Sales Tax Act. 1994. The tax has been levied on account of non-deposit of sale tax by the consignment agent of the holding company. Department is of the view that liability of principal and agent is joint and several. Management applies significant judgment in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially overtime as new facts emerge as each legal case progresses. Given the inherent complexity and magnitude of potential exposures across the Group and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	Discussing the status of significant known actual and potential litigations with the Group's in-house officials and other senior management personnel who have knowledge of these matters and assessing their responses. Reading the latest correspondence between the Group and the various tax/legal authorities and review of correspondence with / legal opinions obtained by the management, from external legal advisors, where applicable, for significant matters and considering the same in evaluating the appropriateness of the Group's provisions or disclosures on such matters. Examining the Group's legal expenses and reading the minutes of the board meetings, in order to ensure that all cases have been identified. With respect to tax matters, involving our tax specialists, and discussing with the Group's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Group's disclosures.
To comply with Pollution Control measures, the Group has obtained consent for discharge of water for cultivation of Eucalyptus trees. The amount spent is of Rs. 24 Lakhs in this year and Rs. 219 Lakhs up to March 31, 2019. The Group has capitalized the same under Biological Asset within meaning of Ind AS 41. It is certified by the agriculture scientist that the realizable value on sale of these trees would not be less than the cost incurred. There is uncertainty of realization on sale of trees. Hence it is considered as a Key Matter.	We have performed adequate procedures and have perused various documents of authorities and other supporting documents for incurring of expenditures. Regarding realisation of the amount we have relied upon the certificate of the expert. (Refer Note no 4 of the Consolidated financial statement)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in

India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding and subsidiary Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group is responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe

these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 18,432/- as at March 31, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. 16,877/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Holding Company's Management.

Report on Other Legal and Regulatory Requirements

1. With respect to matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, and based on the reports of the statutory auditors of subsidiary company, the Group has not paid/provided any managerial remuneration to its directors for the year ended March 31, 2019. Therefore provision of section 197 (16) are not applicable.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary as audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statement.
- (b) in our opinion proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the holding Company and the report of the statutory auditor of its subsidiary incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in 'Other Matters' paragraph:
 - i. the Group has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

for V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Annexure - A to the Auditors' Report

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

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the **Milkfood Limited** (hereinafter referred to as "Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its Subsidiary Company (Holding Company and its subsidiary together referred to as "the Group") incorporated in India under the Companies Act, 2013, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence obtained by us and the other auditor of the subsidiary incorporated in India in terms of their report referred in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, based on consideration of reports of other auditors as referred in other matters paragraph, the Holding Company and its a subsidiary incorporated in India have, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial control over financial reporting criteria established by such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Other aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based on corresponding reports of the auditor of such company.

for V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak Madaan

Partner

Membership number: 547131

Place: New Delhi

Date: 24th May 2019

Consolidated Balance Sheet

as at 31st March, 2019

Particulars	Notes	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
A ASSETS			
1 Non-current assets			
Property, plant and equipment	3A	16,621	16,332
Capital work in progress	3B	173	149
Biological assets	4	219	195
Financial assets			
- Investments	5	1	1
- Trade receivable	6	10	93
- Deposit, loans & advances	7	116	115
Other non-current assets	8	468	124
Total non - current assets		17,608	17,009
2 Current assets			
Inventories	9	6,809	7,455
Financial assets			
- Trade receivables	6	2,199	486
- Loans	10	79	163
- Cash and cash equivalents	11	461	75
- Others	12	14	21
Other current assets	13	1,087	715
Total current assets		10,649	8,915
TOTAL ASSETS		28,257	25,924
B EQUITY AND LIABILITIES			
1 Shareholders' funds			
Equity share capital	14	489	489
Other equity	15	10,338	9,330
Total equity		10,827	9,819
2 Non-current liabilities			
Financial liabilities			
- Borrowings	16	933	1,225
- Other financial liabilities	17	5,827	4,704
Deferred tax liabilities (net)	31C	594	279
Provisions	18 A	207	190
Total non - current liabilities		7,561	6,398
3 Current liabilities			
Financial liabilities			
- Borrowings	19	4,157	5,068
- Trade payable	20	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than above		4,448	3,270
- Other financial liabilities	21	980	949
Other current liabilities	22	140	348
Provisions	18B	94	72
Current tax liabilities (net)	31A	50	-
Total current liabilities		9,869	9,707
TOTAL EQUITY & LIABILITIES		28,257	25,924

Significant accounting policies 1
The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date

For & On behalf of the Board of Directors of Milkfood Ltd

For **V. P. Jain & Associates**

Chartered Accountants

FRN. 015260N

Harmesh Mohan Sood

Director
07951620

Gita Bawa

Director
001111003

Asha Gadi

Director
00110734

SARTHAK MADAAN

Partner

Membership No.: 547131

Place : New Delhi

Date : 24th May, 2019

Rakesh K Thakur
Company Secretary

Sanjeev Kothiala
C.F.O

Sudhir Avasthi
C.E.O

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31 March, 2019 (Rs. in Lakhs)	For the year ended 31 March, 2018 (Rs. in Lakhs)
1 Revenue from operations	23	53,059	49,093
2 Other income	24	31	20
3 Total revenue (1+2)		53,090	49,113
4 Expenses			
(a) Cost of materials consumed	25	45,178	42,758
(b) Changes in inventories of finished goods and work-in-progress	26	651	103
(c) Employee benefits expenses	27	2,017	1,497
(d) Finance cost	28	788	1,047
(e) Depreciation and amortisation expenses	29	683	635
(f) Other expenses	30	2,437	2,103
Total expenses		51,754	48,143
5 Profit before tax (3-4)		1,336	970
6 Tax expense/ (credit) (net)			
(a) Current tax	31B	295	189
(b) Earlier year tax expenses		17	-
(c) MAT credit recognition		(322)	-
(d) Deferred tax	31C	323	(35)
Total tax expenses / (credit)		313	154
7 Profit/(loss) for the period (5-6)		1,023	816
8 Other comprehensive income:			
(a) Items that will not be reclassified to Statement of Profit and Loss			
Re-measurement gains/(losses) on defined benefit plans		(22)	(38)
Tax impact on re-measurement gain/ (losses) on defined benefit plans		7	13
Total other comprehensive income/ (losses) for the year (net of taxes)		(15)	(25)
Total comprehensive income for the year		1,008	791
9 Earnings per share (of Rs 10/- each):			
Basic and diluted - in Rs '	32	20.92	16.69
Significant accounting policies	1		
The accompanying notes 1 to 39 are integral part of the financial statements			

In terms of our report of even date

For V. P. Jain & Associates

Chartered Accountants

FRN. 015260N

SARTHAK MADAN

Partner

Membership No.: 547131

Place : New Delhi

Date : 24th May, 2019

For & On behalf of the Board of Directors of Milkfood Ltd

Harmesh Mohan Sood

Director

07951620

Gita Bawa

Director

00111003

Asha Gadi

Director

00110734

Rakesh K Thakur

Company Secretary

Sanjeev Kothiala

C.F.O

Sudhir Avasthi

C.E.O

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

	For the year ended 31 March, 2019 (Rs. in Lakhs)	For the year ended 31 March, 2018 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net profit before taxation	1336	970
Adjustments for :		
Depreciation and amortisation expense	683	635
Finance costs	788	1047
Liabilities no longer required written back	-	(11)
Provision for doubtful debts/ bad debts/ written off	26	5
Loss on sale of properties, plant & equipment	17	-
Interest income	(25)	(9)
Operating profit before working capital changes	2825	2638
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	646	60
Trade receivables	(1656)	1064
Other current & non current assets	(339)	(458)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1178	724
Other current & non current liabilities	946	(1173)
Provisions	17	49
Cash Generated From Operations	3617	2903
Income tax (paid) /refund (net)	(226)	(173)
Net cash flow from operating activities (A)	3391	2730
B. Cash flow from investing activities:		
Capital expenditure on property, plant and equipments (including CWIP)	(1045)	(479)
Investment in biological assets	(24)	(16)
Proceeds from sale of properties , plant and equipment	30	4
Interest received	25	9
Net cash flow used in investing activities (B)	(1014)	(482)
C. Cash flow from financing activities:		
Repayment of borrowings	(1203)	(1233)
Finance cost paid	(788)	(1047)
Net cash flow used in financing activities (C)	(1991)	(2280)
Net increase / (decrease) in cash & cash equivalents (A+B+C)	386	(32)
Cash and cash equivalents at the beginning of the year	75	107
Cash and cash equivalents at the end of the year	461	75

- The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Indian Accounting Standard 7 ' Statement of Cash Flows'.
- Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date

For **V. P. Jain & Associates**

Chartered Accountants

FRN. 015260N

SARTHAK MADAAN

Partner

Membership No.: 547131

Place : New Delhi

Date : 24th May, 2019

Harmesh Mohan Sood

Director

07951620

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Asha Gadi

Director

00110734

Sudhir Avasthi
C.E.O

For & On behalf of the Board of Directors of Milkfood Ltd

NOTE 1 . CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Milkfood Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at P.O. Bahadurgarh-147021 Distt. Patiala (Punjab), India. Its shares are listed on Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacture and sale of dairy products. The company has two manufacturing locations, one in the state of Punjab at Patiala and the other in the state of Uttar Pradesh at Moradabad. The company has one subsidiary which are domiciled in India and incorporated under the provisions of the Indian Companies Act. The company and its subsidiary together referred as "the Group". The activities of subsidiary company are not significant. The expression company used in succeeding paragraph means Milkfood Limited (Holding Company).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 (A) Basis of preparation and compliance with Ind AS

- (i) The Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.
- (ii) These financial statements were approved for issue by the Board of Directors on May 24, 2019.
- (iii) Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the relevant dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(B) Basis of Consolidation

- (i) The Financial Statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2019.
- (ii) The Financial Statements of the company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra group balances and intra group transactions.
- (iii) The Financial Statements of the company, its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events.

2.2 Current versus non-current classification

All assets and Liabilities have been classified as current or non-current considering the operating cycle of 12 months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.3 Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using deemed cost convention and on an accrual method of accounting, except for defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

2.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer liabilities in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosed in these financial statement is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows; level I - III

Level I input

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date, a quoted market in an active market provided the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity hold a position in a single assets or liabilities and the assets or liabilities is traded in an active market, the fair value of assets or liabilities held by the entity, even if the market normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level II input

Level II input are input other than quoted market prices included within level I that are observable for the assets or liabilities either directly or indirectly.

Level II inputs include:

- quoted price for similarly assets or liabilities in active market.
- quoted price for identical or similar assets or liabilities in market that are not active.
- Input other than quoted prices that are observable for the assets or liabilities, for example –interest rate and yield curve observable at commonly quoted interval.
- implied volatilis.
- credit spreads.
- input that are derived principally from or corroborated market data correlation or other means ('market corroborated inputs').

Level III input

Level III inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakh.

2.6 Property, Plant and Equipment

(i) Property, plant and equipment

The Company had applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing costs and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in statement of Profit & Loss.

(ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes financing cost relating to borrowed funds attributable to construction.

(iii) **Depreciation**

The Company depreciates property, plant and equipment over the useful life as prescribed in schedule II of the Companies Act 2013 on the straight-line method from the date the assets are ready for intended use as described in para (ii) above. Assets in the course of construction and freehold land are not depreciated.

The estimated useful lives of assets are as follows:

- Buildings 30-60 years
 - Plant and equipments 20 years*
 - Furniture and fixtures 8 -10 years
 - Vehicles 6 - 10 years
 - Office equipments 3 - 6 years
- (Including computer software)

The management has reassessed the remaining useful life of Plant & Machinery with effect from 1st April 2014 in respect of Plant & Machinery, the company is consistently following the policy of charging depreciation over 20 years, notwithstanding certification by the Govt. approved valuer (Chartered Engineer) of the useful life of Plant & Machinery of more than 35 years. This is in pursuance of proviso to sub clause (c) of clause 3 of schedule II of the Companies Act 2013.

Similarly for addition of Plant & Machinery during the year company has estimated the useful life of 20 years (15 years specified in Schedule II) based upon the certificate of suppliers / manufacturers of Plant & Machinery. Additions made during the year have been capitalized at the year end at Patiala and accordingly depreciation has been charged.

Vehicles 6 - 10 years (Instead of 8 – 10 years as prescribed under schedule II)

2.7 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates

2.8 Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an assets or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). If it is not possible to estimate the recoverable amount of an individual asset, the entity should determine the recoverable amount of the Cash Generated Unit (CGU) to which the asset belongs.

It is not possible to estimate the recoverable amount of the individual asset if:

- The asset's Value in use (VIU) cannot be estimated to be close to its fair value less cost to sell (FLVCS).
- The asset does not generate cash inflows that are largely independent of those from other assets.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted.

If the recoverable amount of an assets (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized immediately in the statement of Profit & Loss.

2.9 Cash and Cash equivalent

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

(ii) Subsequent measurement of financial assets:

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(iii) Derecognition of financial assets :

The Company derecognises a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and loss on disposal of that financial asset.

(iv) Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(v) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

(vi) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such on exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs comprises as follow:

- (i) Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost.
- (iii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- (iv) Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value. Inventories (including whey powder - by product) are valued on lower of cost or net realizable value.

2.13 Retirement Benefits

Company follows IND AS-19 as detailed below:-

- (a) Short-term benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- (b) Company provides bonus to eligible employees as per Bonus Act 2016 and accordingly liability is provided on actual cost at the end of the year.
- (c) Provident Fund:

The eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both employees and the company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

- (d) The Company has an obligation towards gratuity a defined benefit retirement plan covering all employees. The plan provides for a lump sum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of Rs. 20 Lakh.

Company's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

2.14 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking in to account contractually defined terms of payment excluding others taxes or duties collected on behalf of the government. Specific recognition criteria described below must also be met before revenue is recognized.

- (a) Export sales are recognized on the basis of date of bill of lading.
- (b) Export entitlements i.e. duty free scrip and duty draw back are accounted for on the basis of export of goods on FOB value determined for custom purpose.

- (c) Conversion charges are recognized on completion of jobs.
- (d) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).

2.15 Manufacturing policy

The main raw material of the company is milk, which is used to produce Pure Ghee and various types of Milk Powders. For the last few years, the company has changed its policy to produce Pure Ghee and Milk Powders which conforms to the quality standards adopted by the company consistent with its brand image. Quantities of Pure Ghee and Milk Powders are purchased and processed in the plant to give effect to the manufacturing policy and produce a product of high quality on consistent basis. Company has utilized its facilities for conversion of Milk to Ghee / Butter & Milk Powder on job works basis.

2.16 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ GST paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of sales/ GST paid, except:

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

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which it occurs. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.18 Foreign Currency Transactions

Foreign Currency Transactions involving export sales are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the customs rate on the date of dispatch of goods. The difference between the rates recorded and the rates on the date of actual realization is transferred to difference in exchange fluctuation account. At the year end, the balances are converted at the year end rate and difference if any between the book balance and converted amount are transferred to the exchange fluctuation account. The premium or discount arising at the inception of a forward exchange contract is amortized as expenses / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income / expenses for the period. Non-monetary items that are measured in historical cost in a foreign currency are not retranslated.

2.19 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares

2.20 Segment Reporting

The company is operating under a single segment i.e., "Dairy Product- comprising Ghee, Milk Powder, Casein, Whey powder and Dairy whitener" and therefore there are no reportable segments as per IND AS-108 "Segment Reporting" issued under section 133 of Companies Act 2013 read with rules 4A of Companies (Indian Accounting Standards) rules 2015.

2.21 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

2.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

2.23 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.24 Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which is known / materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (i) Property, Plant and Equipments –
- (ii) Intangible assets -
- (iii) Taxes on income -
- (iv) Retirement and other employee benefits -

Consolidated Statement of changes in equity

for the year ended March 31, 2019

A. Equity share capital:

Issued, subscribed and fully paid up (Share of Rs. 10 each)

Particulars	No. of shares	Rs. In Lakhs
At 31 March 2018	4,886,440	489
Issued during the year	-	-
At 31 March 2019	4,886,440	489

B. Other equity

(Rs. in Lakhs)

Particulars	Reserve & Surplus		Total
	Retained Earnings	Securities Premium	
Balance as at 1st April, 2017	7,869	670	8,539
Profit for the year	816	-	816
Other comprehensive income for the year (net)	(25)	-	(25)
Balance as at 31st March, 2018	8,660	670	9,330
Profit for the year	1,023	-	1,023
Other comprehensive income for the year (net)	(15)	-	(15)
Balance as at 31st March, 2019	9,668	670	10,338

The accompanying notes 1 to 39 are integral part of the financial statements

In terms of our report of even date

For **V. P. Jain & Associates**

Chartered Accountants

FRN. 015260N

SARTHAK MADAAN

Partner

Membership No.: 547131

Place : New Delhi

Date : 24th May, 2019

For & On behalf of the Board of Directors of Milkfood Ltd

Harmesh Mohan Sood

Director

07951620

Gita Bawa

Director

00111003

Asha Gadi

Director

00110734

Rakesh K Thakur

Company Secretary

Sanjeev Kothiala

C.F.O

Sudhir Avasthi

C.E.O

MILKFOOD LIMITED

Consolidated notes to financial statements for the year ended March 31, 2019

3. Property, plant and equipment
A. Tangible Assets

(Rs. In Lakhs)

Particulars	Land	Building	Furniture & Fixtures *	Computers & Peripherals	Vehicles	Plant & Equipment	Total
(I) At cost or deemed cost							
As at 1 April 2017	7948	2863	93	96	727	5,287	17,014
Additions	-	12	9	9	81	388	499
Disposals	-	-	-	-	15	-	15
As at 31 March 2018	7,948	2,875	102	105	793	5,675	17,498
Additions	-	72	7	5	205	732	1,021
Disposals	-	-	-	-	75	35	110
As at 31 March 2019	7,948	2,947	109	110	923	6,372	18,409
(II) Accumulated depreciation							
As at 1 April 2017	-	108	9	5	104	310	536
Charge for the year	-	110	8	7	178	332	635
Deductions	-	-	-	-	5	-	5
As at 31 March 2018	-	218	17	12	277	642	1,166
Charge for the year	-	133	9	11	187	343	683
Deductions	-	-	-	-	38	23	61
As at 31 March 2019	-	351	26	23	426	962	1,788
Net block Value (I) - (II)							
As at 31 March 2019	7,948	2,596	83	87	497	5,410	16,621
As at 31 March 2018	7,948	2,657	85	93	516	5,033	16,332

(B) Capital work in progress:

As at 31 March, 2019	173
As at 31 March, 2018	149

Footnotes:

- (i) For details of Property, plant and equipment charged as security for borrowings. Refer Note 16.
- (ii) Estimated amount of capital contracts remaining to be executed is Rs. 225 Lakhs (P.Y. 2018 Rs. 8 Lakhs)
- (iii) * includes office equipments.
- (iv) Casein Plant which remained inactive in past has been partially used for the production of milk powder during the year. Accordingly depreciation has been charged.

Note 4 Biological assets

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Trees & Plantation	(i)	219	195
Total		219	195

Footnotes:

- (i) (a) Categorized as biological assets on the basis of certificate of agricultural scientist that trees have attained sufficient growth for sale and net realisable value is not less than the carrying amount as per Ind AS - 41.
- (b) Includes Rs 15 Lakhs spent towards consultancy charges for ETP discharge for re-use of water for better growth of trees and plantation and maintenance of green belt.

Note 5. Financial assets - Investment

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
National saving certificates	(i)	1	1
Total		1	1

Footnotes:

- (i) Pledged with government authorities towards fulfillment of statutory obligations.

Note 6. Trade receivable

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Trade receivables			
Unsecured, considered good	(i)	2,199	579
Doubtful	(ii)	19	-
		2,218	579
Less: Allowance for expected credit loss	(ii) & (iii)	9	-
		2,209	-
Net Trade receivables			
Unsecured, considered good		2,199	579
Doubtful		10	-
		2,209	579
Current		2,199	486
Non-current	(ii)	10	93

Footnotes:

- (i) Includes Rs. 51.09 Lakhs due from Canteen Stores Department outstanding for more than one year. Substantial payments have been received subsequently and Management is of the view that remaining balance will be recovered in F.Y 2019-20. Hence it is categorised as current.
- (ii) Includes Rs.19 Lakhs due from a party against whom legal proceedings have been initiated. Company is of the view that amount will be recovered in due course. However company has provided 50% of the amount on account of expected loss because of late realization.
- (iii) In view of insignificant amount of bad debts and timely recovery in earlier years, no allowance for expected credit loss is made.
- (iv) No trade receivables are due from directors and other officers of the company either severally or jointly with any other person, or from firms or private companies in which any director is a partner, a director or a member.

Note 7. Deposits, loans & advances

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Security deposits			
Unsecured, considered good	(i)	113	114
(b) Loans and advances to employees	(ii)	3	1
Unsecured, considered good			
Total		116	115

Footnotes:

- (i) Includes Rs 56 Lakhs with Govt departments and are shown at carrying amount. In respect of security deposits with non Govt. departments of Rs 34 Lakhs given to various parties. Fair value has not been computed in view of insignificant effect. Further these amounts are considered good for recovery as certified by the management.
- (ii) Considered good for recovery as certified by the management.

Note 8. Other non current assets

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Prepaid expenses		23	17
(b) Capital advances		36	19
(c) Deposit with sales tax authorities	(i)	81	82
(d) MAT credit receivable	(ii)	322	-
(e) Others receivable	(iii)	6	6
Total		468	124

Footnotes:

- (i) Deposits with Sales Tax Authorities represent the amount deposited as a precondition for preferring appeal. Management, based upon the legal advice, is of the view that appeals will be decided in favour of company and hence are recoverable.
- (ii) Recognised u/s 115JB of the Income Tax Act.
- (iii) Includes Rs. 5.61 Lakhs (P.Y. Rs. 5.61 Lakhs) Insurance claim receivable, considered good for recovery, as certified by the management.

Note 9. Inventories

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Raw materials		15	16
(b) Work-in-progress		970	1,692
(c) Finished goods		5,053	4,982
(d) Stores and spares		491	532
(f) Packing materials	(i)	280	232
(e) CER (Units) (refer note 24 (i))		-	1
Total		6,809	7,455

Footnotes:

- (i) Includes non moving stock of Packing material of Rs 45 lakhs(P.Y. Rs.46 Lakhs). Management is of the view that the non moving stock will be utilised / disposed off in the financial year 2019-20. Adjustment if any shall be made in the subsequent year.
- (ii) For details of inventories provided as security for borrowings. Refer Note 19.
- (iii) The mode of valuation of inventories has been described in Note 2.12.

Note 10. Loan

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Loan to employees / others (Unsecured, considered good)	(i)	79	163
Total		79	163

Footnotes:

- (i) Loan to employees/others are considered good for recovery within 12 months of reporting date as certified by the management.

Note 11. Cash and cash equivalents

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Cash on hand		2	1
(b) Balances with banks			
(i) In current accounts		6	3
(ii) In deposit accounts	(i)	2	2
(iii) Margin accounts	(ii)	451	69
Total		461	75

Footnotes:

- (i) Pledged with ACCT Dehradun and Moradabad towards sales tax .
- (ii) Towards bank guarantee given to govt. departments/corporations for performance obligations.

Note 12. Financial Assets - others

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Interest receivable	13	17
(b) Others receivable	1	4
Total	14	21

Note 13. Other current assets

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Prepaid expenses - unsecured, considered good		75	85
(b) Advance to suppliers - unsecured, considered good	(i)	470	438
(c) Balances with statutory / government authorities	(ii)	485	118
(d) Income tax refund	(iii)	17	64
(e) Earnest money deposit with Govt. Department		40	-
(f) Carbon credit receivable		-	10
Total		1,087	715

Footnotes:

- (i) Advance to suppliers include an amount of Rs. 281 Lakhs due from supplier against supplies to the company. Amount is confirmed by the supplier and will be adjusted in the F.Y. 2019-20. Further a sum of Rs. 114 Lakhs due from suppliers are confirmed and in the opinion of management will be adjusted / recovered in F.Y. 2019-20. It also includes Rs.12 Lakhs from Ispace Developers Private Limited. No interest is charged as the property is kept as security with the bank.
- (ii) Represent GST input credit (net).
- (iii) Refund of Rs.16.29 Lakhs is adjusted by the department against demand of AY 2007-08 which has not been cancelled due to non credit of Appeal effect of CIT(A) order. Company is in the process of filing application to seek appeal effect.

Note 14. Share capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
(a) Authorised				
Equity shares of Rs.10 each	7,500,000	750	7,500,000	750
Cumulative redeemable preference shares of Rs. 100 each	50,000	50	50,000	50
Total	7,550,000	800	7,550,000	800
(b) Issued				
Equity shares of Rs. 10 each fully paid up	4,887,890	489	4,887,890	489
(c) Subscribed and Paid up				
Equity shares of Rs.10 each	4,886,440	489	4,886,440	489
Less: Calls in arrears		0		0
(Rs.0.19 lakhs on 2875 partly paid shares)	4,886,440	489	4,886,440	489
Add :Amount paid on forfeited shares		0		0
(Rs.0.07 lakhs on 1450 shares)				
Total	4,886,440	489	4,886,440	489
(d) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :				
At the beginning of the year	4,886,440	489	4,886,440	489
Issued during the year	-	-	-	-
Outstanding at the end of the year	4,886,440	489	4,886,440	489

Footnotes:

- The Company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity share is eligible for one vote per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Singh Jaiswal	1,700,024	34.79%	1,700,024	34.79%
Ms Roshini Sanah Jaiswal	700,060	14.33%	700,060	14.33%
Dhanvani Investment Pvt. Ltd.	560,861	11.48%	560,861	11.48%
Sudha Commercial Co. Ltd.	489,103	10.01%	489,103	10.01%
National Westminster Bank PLC as trustee of the Jupiter India Fund	265,695	5.44%	210,457	4.31%

Note 15. Other equity

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Securities premium	(i)	670	670
(b) Retained earnings	(ii)	9,668	8,660
Total		10,338	9,330

Footnotes:

- Where the Company issues shares at premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium account". The company may issue fully paid-up bonus shares to its members out of balance lying in the securities premium account and the company can also use the premium for buy-back of shares.

- (ii) Includes revaluation reserve of Rs. 5,327 Lakhs (PY Rs. 5,368 Lakhs) [Net of increase in value of Land & Building of Rs 8,530 Lakhs and decrease in the value of Plant & Machinery of Rs 3,080 Lakhs as at 01.04.2016 after adjusting accumulated depreciation of Rs. 123 Lakhs (PY Rs. 82 Lakhs) on revalued figure].
- (iii) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 16. Long-term borrowings

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) From Banks: Secured at amortised cost		
Term Loan	582	998
Total (a)	582	998
(b) From Banks: Unsecured at amortised cost		
Term Loan	61	68
Total (b)	61	68
(c) From Others: Secured at amortised cost		
Vehicle Loan	145	101
Total (c)	145	101
(d) From Others-Unsecured at amortised cost		
Term Loan	148	8
Inter corporate deposits	-	50
Total (d)	148	58
Grand Total (a+ b+c+d)	936	1,225
Less: Unamortised finance cost	3	-
Total	933	1,225

Footnotes:-

- (i) Detail of loans:

	Non Current	Current Maturity	Total
a) From Banks: Secured at amortised cost			
Canara Bank @ 11.55% p.a. paid by Jan 2022	274	156	430
	(430)	(156)	(586)
SBI @ 11.55% p.a. paid by Jun 2021	308	266	574
	(568)	(268)	(836)
b) From Banks: Unsecured at amortised cost			
Kotak Mahindra Bank Ltd @15% p.a. paid by Nov 2020	61	149	210
	(68)	(71)	(139)
c) From Others: Secured at amortised cost			
Kotak Mahindra Prime Ltd @ 8.39% to 10.36% p.a. paid by Mar 2022	145	172	317
	(101)	(220)	(321)
d) From Others-Unsecured at amortised cost			
NBFC @ 15.50% paid by Apr 2022.	148	60	208
	(8)	(47)	(55)
Inter corporate deposit	0	0	0
	(50)	0	(50)
Total	936	803	1,739
	(1,225)	(762)	(1,987)

Figures in bracket relates to the previous year.

- (ii) The Loan of Canara Bank is secured by an exclusive charge on fixed assets to the extent of Rs.19.50 Crores and on pari-passu basis with State Bank of India on balance fixed assets including equitable mortgage of Land and Building by deposit of title deed in respect of Patiala Plant and Moradabad Plant . As per MCA 21 charge registered with Canara bank is of Rs. 20 Crores.

Note 17. Financial liabilities - others

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Security deposits	(i)	5,826	4,689
(b) Trade payable		-	14
(c) Other payable	(ii)	1	1
Total		5,827	4,704

Footnotes:

- (i) Security deposits are confirmed by the management and consignees/suppliers and are payable on demand after 31.03.2020.
(ii) Payable to ex-employee pending final decision of court.

Note 18. Provisions**(A) Non current**

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Provision for employee benefits:		
Gratuity	179	166
Compensated absences	28	24
Total	207	190

(B) Current

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Provision for employee benefits:		
Gratuity	79	59
Compensated absences	15	13
Total	94	72

Footnotes:

Provision for Gratuity and compensated absences has been made in terms of IND AS-19.(Refer note no. 33).

Note 19. Financial liabilities - short -term borrowings

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
From bank - secured			
Cash credit	(i)	4,157	5,068
Total		4,157	5,068

Footnotes:

- (i) Cash Credit sanctioned by State Bank of India/Canara Bank are secured by charge on pari passu basis on all present & future current assets (excluding vehicles) including stocks and book debts and extension of charge on pari-passu basis on the fixed assets of the company, equitable mortgage of land & building at Gurgaon owned by Ispace Developers Private Limited and exclusive charge on company's Brand "MILKFOOD".

Note 20. Financial liabilities - Trade payable

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises	(i)	-	-
(b) Total outstanding dues of creditors other than above		4,448	3,270
Total		4,448	3,270

Footnote:

- (i) As per information available with the company and as certified there is no party registered under Micro, Small and Medium Enterprises Development Act, 2006.

Note 21. Other financial liabilities - current

Particulars	Footnote	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Current maturities of long term debts	(i)	799	762
(b) Public deposits with interest	(ii)	7	8
(c) Inter corporate deposit		-	50
(d) Outstanding expenses including salary & wages etc.		165	121
(e) Others (payable to employees)		9	8
Total		980	949

Footnotes:

- (i) Net of unamortised finance cost of Rs. 4 Lakhs (P.Y.Rs.Nil). Refer Note No.16
- (ii) Includes Rs.1.65 Lakhs (P.Y. Rs. 2.45 Lakhs) towards principal amount and Rs. 5.15 Lakhs (P.Y. Rs. 5.95 Lakhs) towards interest in respect of unclaimed matured deposits.
- (iii) Includes rent payable for earlier years of Rs. 2.82 Lakhs (P.Y. Rs. 2.82 Lakhs) pending court case.

Note 22. Other current liabilities

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, etc.)	75	53
(b) Advances from customers	65	295
Total	140	348

Note 23. Revenue from operations

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Sale of products	(i)	52,401	47,992
(b) Other operating revenues	(ii)	658	1,101
Revenue from operations		53,059	49,093

Footnotes:

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(i) Sale of products comprises:		
- Ghee	52,174	42,436
- Milk powder	227	5,556
Total - Sale of products	52,401	47,992
(ii) Other operating revenues comprises:		
Sale of scrap	41	65
Conversion charges of milk to powder & butter	617	1,036
Total - Other operating revenues	658	1101

Note 24. Other income

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Interest income on bank deposits		23	9
(b) Interest on refund of taxes		2	-
(b) Others	(i)	6	11
Total		31	20

Footnotes:

- (i) Includes amount of Rs. 3.50 Lakhs (P.Y. Rs. Nil) towards excess recovery on VCS recoverable and input tax credit of excise duty on closing stock of packing material of Rs Nil (P.Y.Rs. 11 Lakhs) as on transition date of Goods and Services Tax Act.

Note 25. Cost of material consumed

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Raw materials			
Inventories at the beginning of the year		16	23
Add: Purchases		43813	41707
Less: Inventories at the end of the year		15	16
Consumption (a)	(i)	43815	41714
(b) Packing materials			
Inventories at the beginning of the year		232	198
Add: Purchases		1411	1078
Less: Inventories at the end of the year		280	232
Consumption(b)		1363	1044
Total (a+b)		45178	42758

Footnotes:

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(i) Raw material consumed comprises:		
Milk	1,048	113
Fat & butter	42,678	36,784
Milk powder	80	4,815
Others	9	2
Total	43,815	41,714

Note 26. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	5,053	4,982
Work-in-progress	970	1,692
Total	6,023	6,674
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,982	6,103
Work-in-progress	1,692	674
Total	6,674	6,777
Net (increase) / decrease	651	103

Note 27 Employee benefits expenses

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Salaries, wages and other benefits	(i)	1833	1332
(b) Contributions to provident funds / ESI		86	68
(c) Gratuity & compensated absences	(ii)	47	53
(d) Staff welfare expenses		51	44
Total		2017	1497

Footnote:

- (i) (a) Remuneration of KMP is revised with effect from 01.04.2018 from Rs 14.30 Lakhs per month to Rs 25 Lakhs per month subject to shareholder's approval in coming AGM.
- (b) Includes provision of minimum bonus of Rs. 26.10 Lakhs (P.Y. Rs. 12.29 Lakhs) under the payment of Bonus Act 2015.
- (ii) Provision for Gratuity and compensated absences has been made during the year in terms of IND AS-19 (refer note no.35).

Note 28. Finance costs

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Interest expense on borrowings	733	949
(b) Other borrowing costs (Bank and other financing charges)	55	98
Total	788	1047

Note 29. Depreciation & amortisation expenses

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Depreciation of property, plant and equipment (Refer Note no. 2 and 3A.)	683	635
Total	683	635

Note 30. Other expenses

Particulars	Footnote	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Consumption of stores and spare parts		81	61
Power and fuel		684	736
Repairs and maintenance:			
- Building		6	13
- Machinery		60	48
Inventory written off		49	0
Freight & forwarding expenses		375	254
Commission		39	42
Selling & distribution expenses		84	148
Advertisement expenses		59	36
Rates and taxes		64	49
Rent	(i)	170	58
Auditors remuneration	(ii)	12	14
Office maintenance & house keeping		144	139
Legal & professional		96	85
Insurance expenses		65	69
Travelling & hotel expenses		72	73
Vehicle expenses		66	59
Watch & ward expenses		30	28
Postage & telephone expenses		22	21
Provision for doubtful debts		9	-
Net loss on sale of property, plant & equipment		17	0
Contribution for corporate social responsibility (CSR)	(iii)	7	-
Miscellaneous expenses	(iv)	226	170
Total		2437	2103

Footnote:

(i) Rent paid to related parties (refer note 33) are certified by the the management as per prevelant market rates and for business purposes of the company.

(ii) Auditors remuneration

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
- Audit fee	12	12
- Reimbursement of expenses		2
Total	12	14

(iii) Amount required for CSR contributed to Prime Minister relief fund.

(iv) Includes prior period expense of Rs. 7.65 Lakhs (P.Y. Nil), Misc Balances w/o 16.93 Lakhs (P.Y. Rs. 34.58 Lakhs), Income Tax (others) Rs 39.59 Lakhs (P.Y. Rs. 14.87 Lakhs).

Note 31 (A). Current tax liabilities (net)

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Current tax liabilities (net of advance tax of Rs. 230 Lakhs and TDS of Rs.15 Lakhs)	50	-
Total	50	-

Note 31 (B) Tax expenses

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Income tax related to items charged or credited to statement of profit and loss during the year:		
(a) Statement of profit and loss		
Current tax	295	189
Earlier year tax Expenses	17	-
MAT credit	(322)	-
Deferred tax charge / (credit)	323	(35)
Total	313	154
(b) Other comprehensive income		
Deferred tax charge/(credit) on		
Re-measurement of defined benefit plan	(7)	(13)
Total	306	141
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	1,336	970
Applicable tax rate	33.38%	34.61%
Computed tax expenses	446	336
Effect of prior period adjustments in deferred tax	(146)	-
Adjustment recognised in current year in relation to current tax or prior years	17	-
Income recognised related to MAT credit (Net)	(27)	-
Non-deductible expenses for tax purposes		
Other non-deductible expenses	25	5
Others including differential rate of tax (MAT)	(10)	(187)
Income tax expense reported in statement of profit and loss account	305	154

Note 31 (C) Deferred tax

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2019			
	As at 01 April, 2018	Recognised in		As at 31 March, 2019
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,187	(179)	-	1,008
Others	-	-	-	-
(A)	1,187	(179)	-	1,008
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / unabsorbed depreciation	820	512	-	308
Provision for gratuity and compensated absences	88	(6)	(7)	101
Disallowances under section 43B of the Income Tax Act, 1961	-	(2)	-	2
Others	-	(3)	-	3
(B)	908	500	(7)	414
Deferred tax liability (net)	279	322	(7)	594

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2018			
	As at 01 April, 2017	Recognised in		As at 31 March, 2018
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,274	(87)	-	1,187
Others	-	-	-	-
(A)	1,274	(87)	-	1,187
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / Unabsorbed depreciation	876	(56)	-	820
Provision for gratuity and compensated absences	71	4	13	88
Disallowances under Section 43B of the Income Tax Act, 1961	-	-	-	-
Others	-	-	-	-
(B)	947	(52)	13	908
Deferred tax liability (net)	327	(35)	(13)	279

Note 32. Earnings per share

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Basic and diluted		
Net profit attributable to equity shareholders (Rs. in Lakhs)	1023	816
Weighted average number of equity shares (Nos.)	4,886,440	4,886,440
Par value per share (In Rs.)	10	10
Earnings per share - Basic and diluted (in Rs.)	20.92	16.69

Note 33. Related party disclosures

(A) Details of related parties with whom the company had transactions during the year.

Description of relationship	Names of related parties
(a) Enterprises over which KMP, major shareholder is able to exercise significant influence	Jagatjit Industries Ltd., Pashupati Properties P.Ltd., Anjani Estate P.Ltd , Mata Construction & Builders P.Ltd & Ispace Developers Pvt.Ltd MFL Trading Pvt Ltd (Wholly owned subsidiary Company)
(b) Key Management Personnel (CEO/CFO/Company Secretary/Directors and their relatives)	Mr Karamjit Singh Jaiswal Ms Roshini Sanah Jaiswal Mr Sudhir Avasthi Ms Gita Bawa Ms Asha Gadi Mr Harmesh Mohan Sood Mr Sanjeev Kothiala Mr Rakesh K Thakur

(B) Transactions with related parties during the year along with balances as at year end:

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
Electricity Expenses Paid	11 (11)	- -	11 (9)
Rent paid	53 (4)	- -	53 (4)
Services provided / Interest Income	52 (5)	- -	52 (2)
Sales	21	-	21
Loan given	55	-	55
Loan Repayment	47	-	47
Managerial Remuneration (including sitting fees)	-	660	660
	-	(425)	(304)
Amount receivable	57 (14)	- (1)	57 (15)

Footnote:

- (i) No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties.
- (ii) Related parties have been identified by the management.
- (iii) Figures in bracket relates to the previous year.

Note 34. Contingent liabilities

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
(a) Claims against the company not acknowledged as debts*		
Sales tax	116	89

Footnote

- (i) *The company is contesting these demands and the management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the standalone financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations. The company does not expect any reimbursements in respect of the above contingent liabilities.
- (ii) In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the company's results of operations or financial condition.

Note 35. Employee benefits

(A) Defined contribution plans

The company has recognised the following amounts in the statement of profit and loss:

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
Employers' contribution to provident fund and family pension fund	80	62

(B) Defined benefit plans

The company operates on one defined benefit plan i.e., gratuity for its employees including Key managerial personnel except Ms Roshini Sanah Jaiswal and Mr Karamjit Singh Jaiswal. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service subject to maximum of Rs. 20 lakhs.

Particulars	For the Year ended 31 March, 2019 (Rs. in Lakhs)	For the Year ended 31 March, 2018 (Rs. in Lakhs)
(a) Expense recognised in the statement of profit and loss:		
Under profit and loss section		
Current service cost	21	19
Net interest cost	16	12
Past service cost	-	10
	37	41
Under other comprehensive income section		
Acturial (gains)/losses		
Due to experience adjustments	23	40
Due to change in assumptions	(1)	(2)
	22	38
(b) Net liabilities recognised in the balance sheet		
Present value of obligation	258	225
Fair value of plant assets	-	-
Funded status (deficit)	258	225
Net liabilities recognised in the balance sheet accounted for as below:		
Provision non current (refer note 18 A)	179	166
Provision current (refer note 18 B)	79	59
(c) Present value of defined benefit obligation		
Present value of obligation at the beginning of year	225	187
Current cost	21	19
Interest cost	16	12
Remeasurement due to		
Acturial loss/(gain) arising on account of experience changes	23	40
Acturial loss/(gain) arising from change in financial assumptions	(1)	(2)
Past service cost	-	10
Benefits paid	(26)	(41)
Present value of defined obligation at the end of the year	258	225
(d) The principal assumptions used in determining defined benefit obligations:		
Discount rate	7.52%	7.60%
Salary increase rate	3.5% to 5%	3.5% to 5%
Attrition rate	5%	5%
Mortality Table	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

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.

(e) Sensitivity analysis:

	For the year ended 31 March, 2019	
	1% increase	1% decrease
Discount rate	(9)	9
Salary increase rate	10	(9)
Employee attrition rate	1	(1)

	For the year ended 31 March, 2018	
	1% increase	1% decrease
Discount rate	(9)	10
Salary increase rate	10	(9)
Employee turnover	1	(1)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

Note: 36. Financial risk management objectives and policies

The company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include , trade and other receivables, cash and cash equivalents, bank balances and security deposits that are out of regular business operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	31 March, 2019		31 March, 2018	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(63)	63	(80)	80

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There does not seem to be any significant risk as transaction in foreign currency are very few.

As there is no significant foreign currency risk, sensitivity analysis showing impact on profit is not calculated.

iii. Commodity price risk

The company does not have significant risk in raw material price variations. In case of any variation in price, the same is passed on to customers through appropriate adjustment to selling prices.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counter party defaults on its obligations. The company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the company does not expect any credit risk with respect to these financial assets. Trade receivables in respect of sale of ghee , in majority of cases payment is received in advance and with respect to skimmed milk powder , the sale is institutional and expected credit loss is too low considering the past record.

(c) Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and security from consignment agents. The table below summarises the maturity profile of the company's financial liabilities:

(Rs. in Lakhs)

	Maturities			Total
	Upto 1 year	1-2 years	2-4 years	
31-Mar-19				
Non-current borrowings	-	647	289	936
Current borrowings	4,157	-	-	4,157
Trade payables	4,448	-	-	4,448
Other financial liabilities	980	5,827	-	6,807
Total	9,586	6,474	289	16,349

	Maturities			Total
	Upto 1 year	1-2 years	2-4 years	
31-Mar-18				
Non-current borrowings	-	626	599	1,225
Current borrowings	5,068	-	-	5,068
Trade payables	3,270	-	-	3,270
Other financial liabilities	949	4704	-	5,653
Total	9287	5330	599	15216

* Current borrowings represent working capital loan (Cash credit).

** Includes security deposit taken from supplier and consignment agent which is payable on demand but beyond 12 months from the reporting date as certified by the management and confirmed by the suppliers and consignees.

Note: 37. Capital management

For the purpose of the company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the company's capital management is to ensure that it maintains a good credit rating and capital ratios in order to support its business and maximise shareholder value.

The company monitors capital using a gearing ratio, which is net debt divided by total capital. The company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

Particulars	As at 31 March, 2019 (Rs. in Lakhs)	As at 31 March, 2018 (Rs. in Lakhs)
Non-current borrowings	933	1,225
Current maturities of non-current borrowings	806	820
Current borrowings	4,157	5,068
Less: Cash and cash equivalents	461	75
Net debt	5,435	7,037
Equity share capital	489	489
Other equity	10,338	9,331
Total capital	10,827	9,820
Gearing ratio	50%	72%

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Note 38. Fair value

Fair value measurement:

- All the financial assets and financial liabilities of the company are carried at amortised cost.
- The management assessed that the carrying values of trade and other receivables, deposit, cash and short term deposits, other assets, borrowings, trade and other payables reasonably approximate their fair values because these instruments have short-term maturities.
- It is view of the management that fair value impact of long term security deposits/loan paid or payable would not be material.

Note 39.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with Financial Statements prepared under Ind AS.

Notes

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