

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 GST : 07AAACM5913B1ZY

MFL\SCY\2022-23
The Manager (Listing)
The BSE Limited
1st Floor, New Trading Ring,
Rotunda Building
P J Towers, Dalal Street,
Fort, Mumbai-400 001

01st September, 2022

Sub: Annual Report for the F.Y. 2021-22
Scrip Code No.: 507621

Dear Sir,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year ended 31st March, 2022.

The same is for your information and records.

Thanking you,

Yours faithfully,
For MILKFOOD LIMITED

Rakesh
(Rakesh Kumar Thakur)
Company Secretary



Encl: As above

milkfood

Regd. Office : P.O. Bahadurgarh-147021 Distt. Patiala (Punjab)
Phones : 0175-2381404 / 2381415
Fax : 0175-2380248

MILKFOOD LIMITED

Annual Report

For the year ended 31st March, 2022

The Milkfood logo consists of a dark blue oval with the word "milkfood" written in white lowercase letters inside it.

milkfood

BOARD OF DIRECTORS

GITA BAWA
SUDHIR AVASTHI
HARMESH MOHAN SOOD
ANIL GIROTRA
KEWAL KRISHAN KOHLI
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

CONTENTS**Page No.**

Directors' Report	1
Corporate Governance Report	17
Auditors' Report	29
Balance Sheet	39
Statement of Profit & Loss	40
Cash Flow	41
Notes	43
Consolidated Balance Sheet	77

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present their 49th Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2022.

1. FINANCIAL RESULTS

	Rs./Lakhs 2021-22	Rs./Lakhs 2020-21
Revenue from Operations & Other Income	31935	36,830
Profit before Finance cost, Depreciation & amortisation and Tax	1617	2022
Less: Finance Cost	732	821
Profit before Depreciation & amortisation and Tax	885	1201
Less: Depreciation & amortisation Expenses	654	875
Profit /(Loss) before Tax	231	326
Tax Expenses (credit/ (net)		
- Current Tax	52	71
- Earlier year Tax expenses	11	2
- MAT Credit recognition	(60)	(63)
- Deferred Tax	(121)	72
Total Tax Expenses/(Credit)	(118)	82
Profit /Loss for the period	349	244
Other Comprehensive income	15	(9)
Transferred to General Reserves	364	235

2. OPERATIONS

During the period under Report, the Company's sales and other income are Rs. 31,935/- lakhs and cash profit is Rs.885/- lakhs as compared to last year's figures of Rs. 36,830/- lakhs and cash profit of Rs. 1201/- lakhs respectively. After depreciation and amortization, the profit for the year is Rs. 231/- lakhs as compared to the previous year profit of Rs.326/- lakhs 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 Rs.0.55 Lakh unclaimed fixed deposits and interest amounting to Rs.1.30/- Lakh with the Company as at the end of the year;
- There is no default in repayment of deposits or payment of unclaimed 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 occurred between the end of the financial year to which these financial statements relate and to the date of this Report.

8. DIRECTORS

Mr. Harmesh Mohan Sood, Non-Executive Non Independent Director (DIN: 07951620) retires by rotation and, being eligible, offer himself for re-appointment as the Director of the Company. The Board recommends his re-appointment.

Further, Mr. Sood has resigned from the post of Managing Director w.e.f. 30th June, 2021, and thereafter continues to act as the Non Executive Non Independent Director of the Company.

The Board in their meeting held on 30th June, 2021 has appointed Mr. Sudhir Avasthi as the Additional Director in the category of Executive Director w.e.f. 1st July 2021.

Further, the Board appointed Mr. Sudhir Avasthi as the Managing Director of the Company for a period of 5 (Five) years commencing from 1st July, 2021 to hold the office as such up to 30th June, 2026 and the same was approved by the members in the Annual General Meeting held on 28th September, 2021.

Ms. Gita Bawa (DIN 00111003), Non Executive Independent Director, whose first term of appointment as the Independent Director expires on 29th May, 2021, members in the Annual General Meeting held on 28th September, 2021 have re-appointed as an Independent Director for the second term of 5 (five) consecutive years commencing from 30th May, 2021 to 29th May, 2026.

Mrs. Asha Gadi (DIN: 00110734), Independent Director of the Company, has resigned due to her personal reasons, from the Directorship of the Company with effect from 04th July, 2022.

The Board places on record its sincere appreciation for the useful services rendered by Mrs. Asha Gadi during her tenure as Independent Director of the Company.

Mrs. Preeti Mathur continues to hold the office as Non Executive Non Independent Director of the Company.

Mr. Kewal Krishan Kohli and Mr. Anil Girotra continue to hold the office as the Non Executive Independent Directors of the Company.

The Board of Directors of the Company are of the opinion that all the Independent Directors of the Company possess, relevant expertise and experience required to best serve the interest 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 read with Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have confirmed the compliances of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014 as amended from time to time.

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 (9) Board meetings and One (1) separate meeting of the Independent Directors were convened and held. The details of these meetings 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 have 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

The following are the Key Managerial Personnel of the Company:

- (a) Mr. Sudhr Avasthi, Managing Director
- (b) Mr. Sanjeev Kothiala, Chief Financial Officer.
- (c) Mr. Rakesh Kumar Thakur, Company Secretary and Compliance Officer.

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, 2022, 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. CHANGE IN SHARE CAPITAL

There was no change in the issued, subscribed and paid up Share Capital of the Company during the financial year 2021-22.

The Board has increased its Authorised Share Capital of the Company from existing Rs. 8,00,00,000 (Rupees Eight crore) divided into 75,00,000 (Seventy-Five Lakhs) Equity Shares of Rs.10/- each and 50,000 (Fifty Thousand) Cumulative Redeemable Preference Shares of Rs. 100/- each to Rs. 20,00,00,000 (Rupees Twenty Crore) divided into 1,95,00,000 (One Crore Ninety-Five Lakhs) Equity Shares of Rs. 10/- each and 50,000 (Fifty Thousand) Cumulative Redeemable Preference Shares of Rs. 100/- each by creation of 1,20,00,000 (One Crore Twenty Lakhs) additional equity share of Rs.10/- each ranking *pari passu* with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company subject to the approval of members in the ensuing Annual General Meeting of the Company.

17. AUDITORS

17.1 STATUTORY AUDITORS

The Members of the Company vide their resolution passed at the 44th (Forty Fourth) AGM held on Tuesday, the 26th September, 2017, appointed M/s V. P. Jain & Associates, Chartered Accountants, registered with the Institute of Chartered Accountants of India (ICAI) vide registration number 015260N as the Statutory Auditors of the Company who shall hold office of Statutory Auditors until the conclusion of the ensuing AGM of the Company.

Upon the recommendation of the Audit Committee, the Board of Directors approved and recommend for shareholders' approval the appointment of M/s Madan & Associates, Chartered Accountants, New Delhi (FRN 000185N) as Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of this 49th Annual General Meeting until the conclusion of the 54th Annual General Meeting of the Company to be held in the calendar year 2027.

The Company has received their written consent and a certificate dated 01.08.2022 that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

17.2 AUDITORS' REPORT

The Statutory Auditors in their report for the financial year ended March 31, 2022 have made certain qualifications / remarks which are as follows:

Attention is drawn to Note no.3(v) & 3(vi) regarding re-evaluation of useful economic life and impairment of certain plant and machinery resulting in net credit on account of excess depreciation of Rs. 272 lakhs in the financial statements for the year ending 31st March, 2022 and overstatement of total comprehensive income, other equity and non-current assets as on 31st March 2022 as per Ind AS- 8.

Other observations of the Statutory Auditors in their Report on standalone and consolidated financial statements for the year ended March 31, 2022 are self-explanatory and therefore do not call for any further comments.

Board's explanations and comments:

The company has taken a view on the basis of advice given by the manufacturer and technical experts that the plants in the dairy industry use non-corrosive raw materials and as such, the expected life of plant and machinery should be 35 years against which the company was earlier providing depreciation on the basis of 20 years of life.

17.3 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 Auditor of the Company to carry out the Secretarial Audit of secretarial and related records of the Company for the financial year ended on 31st March, 2022.

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

17.4 ANNUAL SECRETARIAL COMPLIANCE REPORT

A Secretarial Compliance Report for the financial year ended 31st March, 2022 on compliances of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Ms. Kamlesh Gupta, Company Secretary, Secretarial Auditor, and submitted to the stock exchange.

17.5 INTERNAL AUDITORS

M/s. Rajeev Pankaj and Associates, Chartered Accountants (Registration No. 033717N), continue to be the Internal Auditors of the Company to perform the functions of internal audit.

17.6 COST AUDITORS

On the recommendations of Audit Committee, M/s HMVN & Associates, Cost Accountants (Firm Registration No.000290) have been appointed as the Cost Auditors to audit the cost accounts of the Company relating to Milk Powder for the financial years 2022-23.

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.

18. 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

19. 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.

20. 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 Committees. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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 2022-23 has been paid.

26. 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**”.

27. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in Form MGT- 9 is available on the website of the Company at www.milkfoodltd.com.

28. 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 pertaining to the top ten employees in terms of remuneration drawn and their other particulars, also form part of this report. However, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same 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-5**”.

29. 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 of interest with the Company at large. A disclosure in form AOC-2 is annexed with this Report as “**Annexure-6**”.

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. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis.

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

30. 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 2022 and Notice of the 49th 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 2022 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 2022 is also available on our website, www.milkfoodltd.com.

31. 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.

32. 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

33. 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.

34. 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.

35. 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.

36. 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.

37. 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.

38. DISCLOSURES WITH RESPECT TO SCHEME OF ARRANGEMENT

Honorable National Company Law Tribunal, Chandigarh Bench (NCLT) have passed first motion order dated 13th May, 2022 ("Order") with respect to proposed Scheme of Arrangement between Triputi Infrastructure Private Limited (Transferor Company) and Milkfood Limited (Transferee Company) and pursuant to said order, approvals of Equity Shareholders, Secured Creditors and Unsecured Creditors have been taken in their respective meetings held on virtually on 9th July, 2022 under the Chairmanship of Justice Ranjit Singh (Retd.), NCLT's appointed Chairman. Also second motion application has been filed with Honorable NCLT vide application dated 20th July, 2022.

39. 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 : 12.08.2022

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

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 statements 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	01/04/2021 to 31/03/2022
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	(2,41,150)
6.	Total Assets	-
7.	Total Liabilities	-
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(19,839)
11.	Provision for taxation	-
12.	Profit after taxation	(19,839)
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, 2022)

[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 compliances 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 on 31st March, 2022, 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, 2022 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, 2018 - **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, 2021 - **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, 2021 – **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, 2018 - **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 as amended from time to time.

For the compliances of Labour Laws & other Laws, as applicable to the Company, 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 the compliance with other applicable 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. as mentioned above.

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, 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 for meetings other than those held at shorter notice.

The minutes of the Annual General Meeting, Board Meetings and Committee Meetings of the Board are 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 except the following:

The Board of Directors in its meeting held on 5th October, 2020, had approved the proposed scheme of Amalgamation between Triputi Infrastructure Private Limited (Transferor Company) with Milkfood Limited (Transferee Company).

Honorable National Company Law Tribunal, Chandigarh Bench (NCLT) have passed first motion order dated 13th May, 2022 ("Order") with respect to proposed Scheme of Amalgamation between M/s Triputi Infrastructure Private Limited (Transferor Company) and M/s Milkfood Limited (Transferee Company) and pursuant to said order, approvals of Equity Shareholders, Secured Creditors and Unsecured Creditors have been taken in their respective meetings held virtually on 9th July, 2022 under the Chairmanship of Justice Ranjit Singh (Retd.), NCLT's appointed Chairman. Also second motion application has been filed with Honorable NCLT vide application dated 20th July, 2022.

The Bombay Stock Exchange (BSE) Limited vide E-Letter No. DCS/AMAL/SV/R37/1964/2021-22 dated 28th May, 2021 has approved the said Scheme.

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.

Place: Gurugram
Date: 9th August, 2022

Sd/-
(Kamlesh Gupta)
Practicing Company Secretary
Membership No. A-13862
C.P. No. 10451
UDIN: A013862D000770387



Annexure-2-A

To,
The Members
Milkfood Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process 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 compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Gurugram
Date: 9th August, 2022

Sd/-
(Kamlesh Gupta)
Practicing Company Secretary
Membership No. A-13862
C.P. No. 10451
UDIN: A013862D000770387

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 under review, in order to comply with the Corporate Social Responsibility, the company has deposited the required funds in the Prime Minister's National Relief Fund.

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, Chairman
2. Mr. Kewal Krishan Kohli, Member
3. Mrs. Preeti Mathur, Member

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

Average Net Profit: [Rs.8,65,35,119/-]

Financial Year	Amount in Rs.
2018-19	13,66,80,518/-
2019-20	8,99,05,810/-
2020-21	3,30,19,030/-
Total Profit	25,96,05,358/-
Average Net Profit	8,65,35,119/-

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

2% of Average Profit = Rs.8,65,35,119/-

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

- a) Total amount to be spent for the financial year – Rs. 17,30,702/-. Total amount spent for the Financial Year – Rs. 17,35,000/-
- b) Amount unspent, if any - **Nil**
- c) Manner in which the amount spent 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. 17,35,000/-	Rs. 17,35,000/-	Rs. 17,35,000/-	Direct
	Total	-	-	Rs. 17,35,000/-	Rs. 17,35,000/-	Rs.17,35,000/-	

6. In case the company has failed to spend the 2% (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's 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.

For and on behalf of the Board

Place : New Delhi
Date : 12.08.2022

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

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, 2022:-

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, up-gradation 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 during the year. After implementation of the above measures, lower energy consumption has resulted in reduction of cost of processing.
- 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 31.03.2022	Year ended 31.03.2021
A) Power and Fuel consumption			
1) Electricity			
a) Purchased			
Units		26,88,241	25,69,377
Total Value	(Rs.)	2,56,16,907	2,33,81,705
Rate/Unit	(Rs.)	9.53	9.10
b) Own Generation			
(i) Through Diesel Generator			
Units		66,259	52,519
Total Value	(Rs.)	19,92,367	14,73,581
Unit per litre of:			
Diesel Oil		2.87	2.57
Cost/Unit	(Rs.)	30.07	28.06
(ii) Through Steam Turbine			
Units		4,39,080	2,24,663
Total Value	(Rs.)	48,44,035	19,09,796
Unit per Kgs of:		11.03	8.5
Steam		17,008	10,001
Cost/Unit	(Rs.)	0.28	1.36
2) Others/Internal Generation			
Rice Husk/Petroleum Coke/Charcoal			
Buggase/Fire Wood			
Quantity(MT)		8,062	6,708
Total Amount	(Rs.)	4,04,79,013	2,63,39,888
Avg. Rate	(Rs.)	5,021	3,927

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

Annexure-5

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.	- Mr. Sudhir Avasthi, MD - 6.19% - Mr. H M Sood, Director - 0.44%
(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 , MD - 00% - Mr. Sanjeev Kothiala , CFO - 00% - Mr. Rakesh Kumar Thakur, Company Secretary-15%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	6.67%
(iv)	Number of permanent employees on the rolls of Company.	165
(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 - NIL - Average increase in remuneration of employee other than Managerial Personnel - 14.98%
(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/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

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, 2022, the Company has Seven Directors with Four Non-Executive Independent Directors - Two Non-Executive Non Independent Directors and One Executive Director. 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.

The independent directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgment of the Directors in any manner.

During the financial year 2021-22, Nine Board meetings were held i.e. on 30.06.2021, 30.07.2021, 14.08.2021, 05.11.2021, 12.11.2021, 24.11.2021, 03.01.2022, 14.02.2022 and on 08.03.2022.

Composition of Board of Directors as on 31st March, 2022 and other details are as under:

Name	Category	No. of Board Meeting held during the financial year 2021-22	No. of Board Meetings attended	Whether previous AGM held on 28th September, 2021 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
**Mr. Sudhir Avasthi	Managing Director - Executive	9	8	Yes	Nil	Nil	Nil
Mrs. Gita Bawa	Non -Executive Independent Director	9	8	No	2	Nil	Nil
***Mr. Harmesh Mohan Sood	Non -Executive Non Independent Director	9	9	Yes	1	Nil	Nil
****Mrs Asha Gadi	Non -Executive Independent Director	9	5	Yes	3	Nil	Nil
Mrs. Preeti Mathur	Non -Executive Non Independent Director	9	8	Yes	Nil	Nil	Nil
Mr. Kewal Krishan Kohli	Non -Executive Independent Director	9	8	Yes	13	Nil	Nil
Mr. Anil Girotra	Non -Executive Independent Director	9	6	No	5	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. Sudhir Avasthi has been appointed as the Managing Director for a period of five years w.e.f. 01st July, 2021 at the Board Meeting held on 30th June, 2021 upon resignation of Mr. Harmesh Mohan Sood as the Managing Director of the Company w.e.f 30th June, 2021. Members' approval has been obtained for the appointment of Mr. Sudhir Avasthi as Managing Director by way of Special Resolution passed in the Annual General Meeting held on 28th September, 2021.

*** Mr. Harmesh Mohan Sood, has resigned as Managing Director w.e.f. 30th June, 2021, and thereafter continues to act as the Non Executive Non Independent Director of the Company.

**** Mrs. Asha Gadi, has resigned as Independent Director of the Company w.e.f. 4th July, 2022.

INDEPENDENT DIRECTORS' MEETING:

During the year under review, a separate meeting of the Independent Directors was held on 8th March, 2022, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors Viz. Mrs. Gita Bawa, Mr. Anil Girotra and Mr. Kewal Krishan Kohli except Mrs. Asha Gadi, were present at the meeting. The following issues were discussed in detail:

- i) Review the performance of non-independent directors and the Board as a whole;
- ii) 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 hold 20 equity 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, 2022, the composition of the Audit Committee is as follows:

Name	Designation
Mr. Kewal Krishan Kohli	Chairman
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 2021-22, the Audit Committee held five meetings i.e. on 30th June, 2021, 30th July, 2021, 14th August, 2021, 12th November, 2021 and on 14th February, 2022.

Attendance at the meetings is as follows:

Name of Members	No. of meetings held during the financial year 2021-22	Meetings attended
Mrs. Asha Gadi*	5	4
Mrs. Gita Bawa	5	5
Mr. Harmesh Mohan Sood	5	5
Mr. Kewal Krishan Kohli	5	1

*Mrs. Asha Gadi has ceased to be the Chairperson of the Audit Committee w.e.f. 03.01.2022 and in her place Mr. Kewal Krishan Kohli has been appointed as the Chairman of the Committee w.e.f. 03.01.2022.

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, 2022, the Nomination & Remuneration Committee comprises of the following three Directors of the Company:

Name	Designation
Mr. Kewal Krishan Kohli	Chairman
Mrs. Gita Bawa	Member
Mrs. Preeti Mathur	Member

During the financial year 2021-22, two meetings of the Committee were held on 30th June, 2021, and on 05th November, 2021.

Attendance at the meeting is as follows:

Name of Members	No. of meetings held during the financial year 2021-22	Meetings attended
Mrs. Asha Gadi*	2	2
Mrs. Gita Bawa	2	2
Mrs. Preeti Mathur	2	2
Mr. Kewal Krishan Kohli	2	0

*Mrs. Asha Gadi has ceased to be the Chairperson of the Nomination & Remuneration Committee w.e.f. 03.01.2022 and in her place Mr. Kewal Krishan Kohli has been appointed as the Chairman of the Committee w.e.f. 03.01.2022.

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.
- 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.
- The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for the appointment as a Director:
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, professional or business standing;
 - Diversity of the Board.
- 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:

- 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.
- The remuneration shall be subject to the approval of the members of the Company in their general meeting.
- In determining the remuneration, the Committee shall ensure/consider the following:
 - The relationship of remuneration and performance benchmarks is clear.
 - 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:

- the relationship of remuneration and performance benchmark is clear;
- 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, 2022 is as follows:

Sl. No.	Name of Directors	Sitting fees
1.	Mrs. Gita Bawa	Rs.40,000/-
2.	Mrs. Asha Gadi	Rs. 25,000/-
3.	Mr. Harmesh Mohan Sood*	Rs. 40,000/-
4.	Mrs. Preeti Mathur	Rs. 40,000/-
5.	Mr. Kewal Krishan Kohli	Rs. 40,000/-
6.	Mr. Anil Girotra	Rs. 30,000/-
	Total	Rs. 2,15,000/-

*Mr. Harmesh Mohan Sood is acting as the Non-Executive Non Independent Director of the Company w.e.f. 01st July, 2021.

Remuneration to Executive Directors:

(Rs. in Lakh)

S. No.	Name of Director	Salary	Perquisites and other	Total
1.	Mr. Harmesh Mohan Sood*	9.00	0.40	9.40
2.	Mr. Sudhir Avasthi*	117.00	15.01	132.01

*Mr. Sood has ceased to be the Managing Director of the Company w.e.f. 30th June, 2021 and Mr. Sudhir Avasthi has been appointed as the Managing Director of the Company w.e.f. 01st July, 2021.

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, 2022, the composition of the Stakeholders Relationship Committee is as follows:

Name	Designation
Mrs. Preeti Mathur	Chairperson
Mrs. Gita Bawa	Member
Mr. Kewal Krishan Kohli	Member

The Committee held two meetings during the financial year 2021-22. Attendance at meetings is as follows:

Date of Meeting	Mrs. Asha Gadi*	Mrs. Gita Bawa	Mrs. Preeti Mathur	Mr. Kewal Krishan Kohli
30.06.2021	Yes	Yes	Yes	NA
12.11.2021	Yes	Yes	Yes	NA

*Mrs. Asha Gadi has ceased to be the Member of the Nomination & Remuneration Committee w.e.f. 03.01.2022 and in her place Mr. Kewal Krishan Kohli has been appointed as the Member of the Committee w.e.f. 03.01.2022.

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 as on 31st March, 2022 is as under:

1. Mr. Harmesh Mohan Sood, Non-Executive Non Independent Director – Chairman
2. Mr. Kewal Krishan Kohli, Non-Executive Independent Director – Member
3. Mrs. Preeti Mathur, Non Executive Non Independent Director – Member

The Committee held three meetings during the financial year 2021-22. Attendance at meetings is as follows:

Date of Meeting	Mrs. Asha Gadi*	Mrs. Preeti Mathur	Mr. Harmesh Mohan Sood	Mr. Kewal Krishan Kohli
30.06.2021	Yes	Yes	Yes	NA
12.11.2021	Yes	Yes	Yes	NA
31.03.2022	NA	Yes	Yes	Yes

*Mrs. Asha Gadi has ceased to be the Member of the Corporate Social Responsibility Committee w.e.f. 03.01.2022 and in her place Mr. Kewal Krishan Kohli has been appointed as the Member of the Committee w.e.f. 03.01.2022.

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
2019	26.09.2019	Registered Office	9.00 A.M.	One
2020	29.08.2020	Registered Office	9.00 A.M.	One
2021	28.09.2021	Registered Office	9.00 A.M.	Three

No resolution has been passed through Postal Ballot.

DISCLOSURE:

Details of related party transactions entered into during the financial year 2021-22 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 9th August, 2022 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, Managing Director 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	: 28 th September, 2022, 10.00 A.M.
Venue	: The Annual General Meeting shall be held as per the circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India through Video Conferencing/other Audio Visual Means as per notice of AGM.
Book Closure Date	: 22 nd September, 2022 to 28 th September, 2022 (Both days inclusive)
Dividend	: Nil

Financial Calendar for 2021-22: (Tentative)

Financial Results for	
First Quarter	: up to mid August, 2022
Second Quarter	: up to mid November, 2022
Third Quarter	: up to mid February, 2023
Fourth Quarter	: up to 30 th May, 2023

Market Price Data:

High and Low market price during each month in last financial year from April, 2021 to March, 2022 at Bombay Stock Exchange Limited (BSE) is as follows:

Month	High	Low	Sensex High	Sensex Low
April,21	341	290	50,375.77	47,204.50
May,21	380	310	52,013.22	48,028.07
June,21	399.9	340.1	53,126.73	51,450.58
July,21	402	340.35	53,290.81	51,802.73
August,21	364.75	300	57,625.26	52,804.08
September,21	363.95	323.1	60,412.32	57,263.90
October,21	380	317.2	62,245.43	58,551.14
November,21	390	328.1	61,036.56	56,382.93
December,21	403.9	351.2	59,203.37	55,132.68
January,22	399	328.85	61,475.15	56,409.63
February,22	450.95	345.4	59,618.51	54,383.20
March, 22	399.95	355.25	58,890.92	52,260.82

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.

To expedite the process of share transfers the Board has delegated the power of share transfer to M/s Alankit Assignments Limited viz. Registrar and Share Transfer Agents who attend the share transfer formalities at least once in a fortnight.

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Share Transfer Committee. A summary of transactions so approved by the Committee is placed at the next Board Meeting. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchange.

In terms of amended Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Simplified Norms for processing Investor Service Request

SEBI, vide its Circular dated 3rd November, 2021, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above mentioned details are not registered by 1st April, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled and signed by the registered holders to the Company or to M/s. Alankit Assignments Ltd., 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055.

Distribution of Shareholding as on 31st March, 2022:

Share holding of nominal value of Rs.	No. of shareholders	No. of shares held	% age of total shareholding (Rounded off)
1-5000	4375	645398	13.21
5001-10000	1	5024	0.10
10001-20000	0	0	0.00
20001-30000	2	48250	0.99
30001-40000	1	37195	0.76
40001-50000	1	40950	0.84
50001-100000	1	58154	1.19
100001 and above	7	4051469	82.91
Total	4388	4886440*	100

Shareholding pattern as on 31st March, 2022

Particulars	No. of shares held	%age of shares held (Rounded off)
Promoters & Promoter Group	2448334	50.10
Mutual Funds	2600	0.05
Banks, Financial Institutions & Insurance Companies	400	0.01
FPIs	373300	7.64
Corporate Bodies	1383664	28.32
Indian Public	672891	13.77
NRIs/NRNR/OCBs	5007	0.10
Trust/Clearing Member/Custodian	244	0.01
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, 2022, 94.04% 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 – 244 001 (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

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 the time as per regulation 27(2) of the SEBI (LODR) Regulations. 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, Managing Director, 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.

Place: New Delhi

Date: 12.08.2022

Sd/-

Sudhir Avasthi
Managing Director

Management Discussion and Analysis:

ECONOMIC OVERVIEW

With a population of more than 1.3 billion, India is amongst the world's largest populated Country. Over the past decade, the Country's integration into the global economy has been accompanied by economic growth and it has now emerged as a global player. Due to Covid-19 shock, the Government and Reserve Bank of India took several monetary and fiscal policy measures to support and safeguard against the adverse impact of the crisis on the economy.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. War induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic are essential.

(Source: IMF Global Economic Outlook, April' 22)

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. 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.

There are many opportunities and challenges in the Indian Dairy Industry. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for a large vegetarian segment of the Indian population. Dairying has been considered as one of the activities aimed at alleviating the poverty and unemployment, especially in the rural areas in the rain-fed and drought-prone regions.

The laws regulating the safety and quality of food are in existence since 1899. The number of legislations and quality standards has 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) Milk prices are expected to increase due to lower supply of milk resulting into higher cost.
- (ii) 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.
- (iii) The trend of adulterated Ghee continues to plague the market which is a serious health risk for the consumers.
- (vi) 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.
- (V) Stiff competition from the established big companies operating in Dairy Products.

GROWTH OUTLOOK

The Indian economy is the fastest growing major economy and is projected to grow faster in the coming years.

Rapid urbanization has led to a major increase in the demand for packaged/processed foods, favorably impacting the dairy industry in the country. In the era of digitization and increased access to actionable information, the Indian populace is becoming health and product quality conscious, which has led to the improved variety of food products available in the country. The increase in working population is leading to increased demand for convenient healthy and tasty products by the consumers.

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. The Company strives to leverage these opportunities and create innovative products that meet diverse consumer requirements.

EXPANSION PLANS

Company holds on to its long term vision of becoming a significant player in 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 equipments in Government labs, lot of fear and confusion has been created in the minds of industry as well as consumers.

The Company has been able to mitigate such risks by working upon strengthening its supply chain and increasing its customer base.

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. 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. Rajeev Pankaj and Associates, 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 Company has in place adequate internal controls commensurate with the size and nature of its operations.

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.

FINANCIAL PERFORMANCE

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employees are considered as key stakeholders in the progress of organization and various initiatives are being taken to upgrade their skills. It goes without saying that human resource is of primary importance to any productive activity.

Manpower in the form of labour, 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.

Industrial Relations remained cordial throughout the year under review.

KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately

previous financial year) in key financial ratios.

S. No.	Particulars	2021-22	2020-21	% Change	Remarks
I	Debtors Turnover Ratio (Days)	66.39	53.89	23.20	Increase in debtors is on account of the impact of Covid-19 and sluggish market conditions.
II	Inventory Turnover Ratio (Days)	22.81	33.19	(31.27)	Reduction in stocks on account of lower demand.
III	Interest Coverage Ratio	3.19	2.05	55.61	Due to reduction in finance cost.
IV	Current Ratio	1.37	1.24	10.48	There is an improvement because of higher current assets.
V	Debt Equity Ratio	0.59	0.61	(3.39)	There is decrease in debts.
VI	Operating Profit Margin %	12.98	11.19	1.60	Impact of useful life of assets.
VII	Net Profit Margin %	1.10	0.66	68.75	Reversal of depreciation.
VIII	Return on Net Worth	0.03	0.02	50.00	Impact of useful life of assets

**Previous year ratios have been revised based on the disclosure requirements under 'Additional Regulatory Information (ARI) pursuant to amendment to Schedule III of the Companies Act, 2013 vide MCA Notification No. GSR 207(E) dated 24.03.2021 w.e.f. 01.04.2021.*

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 : 12.08.2022

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

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, 2022, 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 compliances 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.

Place: Gurugram
Date: 9th August, 2022

Sd/-
(Kamlesh Gupta)
Practicing Company Secretary
Membership No. A-13862
C.P. No. 10451
UDIN: A013862D000770409

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, 2022 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.

Place: Gurugram
Date: 9th August, 2022

Sd/-
(Kamlesh Gupta)
Practicing Company Secretary
Membership No. A-13862
C.P. No. 10451
UDIN: A013862D000770398

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILKFOOD LIMITED

Report on the Audit of the Standalone Financial Statements

Modified Opinion

We have audited the accompanying standalone financial statements of **Milkfood Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Modified Opinion:

Attention is drawn to Note no.3(v) & 3(vi) regarding re-evaluation of useful economic life and impairment of certain plant and machinery resulting in net credit on account of excess depreciation of Rs.272 lakhs in the financial statements for the year ending 31st March 2022 and overstatement of total comprehensive income, other equity and non-current assets as on 31st March 2022 as per Ind AS- 8.

Emphasis of matter:

Attention is drawn to the Note no 6(ii) regarding Trade Receivables, Note no 8(iv) regarding Advance to Suppliers, Note No 12(iii) regarding GST, Note no 16(i) regarding classification of security deposit received, note no. 39 regarding covid -19 pandemic effect.

Our opinion is not qualified in respect of these matters.

Basis for Modified 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 independence 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 the matter was addressed in our audit
<p>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.</p> <p>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</p>	<p>Our procedures included:</p> <p>Reviewing the outstanding litigations against the Company for consistency with the previous years, enquire and obtain explanations for movement during the year.</p> <p>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.</p>

<p>authorities and commercial claims.</p> <p>At March 31, 2022, the Company's contingent liabilities for legal matters were Rs. 78 Lakhs (refer Note to the standalone financial statement) and provision for legal matters aggregated Nil. This represents tax of Rs.71 Lakhs levied 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.</p> <p>Department is of the view that liability of principal and agent is joint and several. The remaining Rs 7 lacs represent the claim against the company that have not been acknowledged as debt.</p>	<p>Reading the latest correspondence between the Company and the various tax/legal authorities being the order passed by Appellate Authority-1 Jaipur, CTO Dated 22.12.2021 against which the company has filed a petition before the Rajasthan Tax Board Ajmer 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 Company's provisions or disclosures on such matters.</p> <p>Examining the Company's legal expenses and reading the minutes of the board meetings, in order to ensure that all cases have been identified.</p> <p>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.</p> <p>Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures.</p> <p>For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Company's disclosures.</p>
<p>GST Receivable</p> <p>The Company has partially deposited the amount of Rs 1627 Lakhs voluntarily under protest towards GST in respect of verification conducted by the department regarding input tax credit of four dealers. As per information given by the company it has received a show cause notice from Moradabad Range in this regard for Rs.25 Crores and has filed its reply & order is expected shortly after the personal hearing. Further it has been informed that company is legally advised of its success as it has made the payment through banking channels.</p> <p>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.</p> <p>These estimates could change substantially overtime as new facts emerge as each legal case progresses.</p> <p>Given the inherent complexity and magnitude of potential exposures across the country and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</p>	<p>We have verified the show cause notice received by the company and the challans regarding payment of 1627 Lakhs voluntarily under the protest. We have relied upon the assertions of the management.</p>
<p>Spike in the Cost of Production/ Fall in sale</p> <p>During the year there has been an increase in the cost of raw material which could not be passed on the customers on account of severe competitive conditions.</p>	<p>Additional audit procedures to verify the spike in the cost of production through applying analytical procedures.</p>

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 Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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. The information included in the Annual report i.e. Directors Report, Management Discussion and Analysis, Corporate Governance Report, etc. is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity

("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable.

2 As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak Madaan

Partner

Membership number: 547131

UDIN: 22547131ALPROA5788

Place: New Delhi

Date: 30-05-2022

Annexure - A to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of Company's Property, Plant and Equipment:

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (b) The Company has a programme of verification of Property, Plant and Equipment 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 Property, Plant and Equipment 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than those that have been taken on lease and the lease agreements are duly executed in favour of the Company) are held in the name of the Company. Original copy of title deeds have not been produced as the same are deposited as security with banks under loan agreement as confirmed by the management.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) On the basis of the information's and explanations given to us and examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company, of the respective quarters, except for the following:

(All Amounts in Rs Lakhs)

Quarter	Name of the Bank	Name of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
Q1	State Bank of India/ Canara Bank	Trade Receivable	6974	5610	1364	On account of sales/ Trade receivables reconciliation
	State Bank of India/ Canara Bank	Inventory - Raw Material	936	1435	-499	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India/ Canara Bank	Inventory - Finished Goods	916	1684	-768	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates
	State Bank of India/ Canara Bank	Inventory - Stores & Spares	512	514	-2	Rounding off
Q2	State Bank of India/ Canara Bank	Trade Receivable	6001	6067	-66	On account of sales/ Trade receivables reconciliation.
	State Bank of India/ Canara Bank	Inventory Raw Material	1118	780	338	Difference in adopting the rate of valuation

Quarter	Name of the Bank	Name of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
	State Bank of India/ Canara Bank	Inventory Finished Goods	356	919	-563	On account of valuation made at sale price instead of lower of cost or NRV.
	State Bank of India/ Canara Bank	Inventory - Stores & Spares	544	543	1	Rounding off
Q3	State Bank of India/ Canara Bank	Trade Receivable	5741	6418	-677	On account of sales/ Trade receivables reconciliation.
	State Bank of India/ Canara Bank	Inventory Raw Material	877	1200	-323	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India/ Canara Bank	Inventory Finished Goods	766	1157	-391	'On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India/ Canara Bank	Inventory - Stores & Spares	497	492	5	Rounding off
Q4	State Bank of India/ Canara Bank	Trade Receivable	5824	5821	3	Rounding off
	State Bank of India/ Canara Bank	Inventory Raw Material	626	626	-	NA
	State Bank of India/ Canara Bank	Inventory Finished Goods	742	742	-	NA
	State Bank of India/ Canara Bank	Inventory - Stores & Spares	604	603	1	Rounding off

- (c) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other parties during the year except an amount of Rs 1 lakh given to a related party for incurring the expenses and Rs 19 Lakhs as loan given to the employees in the ordinary course of business. The Balance outstanding as at the end of the year are Rs 17 Lakhs and Rs 10 Lakhs respectively.
- (d) The terms and conditions of the above loan of Rs 1 Lakh granted during the year (being immaterial) are not prejudicial to the interest of the Company because the company has charged interest in respect of loan to related party at bank borrowing rate subsequently and will recover the same in the next year as certified by the management. Loan to employees of Rs 19 Lakhs granted during the year are in the ordinary course of the business as per policy of the company and hence not prejudicial to the interest of the company.
- (e) Stipulations in respect of loans granted to the employees have been laid out and the repayments are being received accordingly. With regard to the repayment of principle and interest of Loan to related party, stipulations are not laid out. However, it is certified by the company that the same will be received in the subsequent year.
- (f) The amount of loan to related party of Rs 17 Lakhs is overdue for more than ninety days. The management has taken reasonable steps and is hopeful for recovering the same along with interest in the subsequent year.
- (g) No loan granted by the Company during the year which has fallen due has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (h) The Company has granted advance in the nature of loan to the extent of Rs 1 Lakh to related party whose terms of repayment are not specified constituting 5% of the total loans granted i.e. Rs 20 Lakhs during the year.
- (iii) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the Act.
- (iv) The Company has not accepted any deposit during the year. There are no amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable. 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.

(v) 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.

(vi) In respect of statutory dues:

(a) 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 Goods and Service tax, provident Fund, Employees State insurance, income tax, sales 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 31.03.2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues as referred to in sub clause (a) which have not been deposited as at 31.03.2022 on account of any dispute other than disclosed as below:

Name of the Statute	Nature of Dues	Net Amount (Rs. in Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Rajasthan Value Added Tax 2003	Sates Tax	71	71	FY 2002-03 and 2003-04	Rajasthan Tax Board Ajmer
FSSAI Act	Penalty	2	NIL	2020-21	Court of ADM (Aligarh and Meerut)

(vi) In respect of statutory dues:

(vii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(viii) (a) The Company has not defaulted in the repayment of the Loans and interest thereon to any lender.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
(c) According to the information and explanations given to us, Company has applied the term loans (Including working capital term loans) for the purposes for which the same have been obtained.
(d) The Long term sources of funds comprising share capital, reserves and surplus and long term loans (including security deposits payable after one year) are higher than the Long term application of funds comprising of PPE, CWIP and Biological assets. However, the current ratio is 1.37 times. Therefore, in our opinion funds raised for short term basis have not been utilised for long term purposes.
(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, Joint venture or associates.
(f) The Company has not raised any loan on the pledge of securities held in its subsidiary, hence the requirement of reporting under this clause is not applicable.

(ix) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally), hence reporting under clause 3(x)(b) of the Order is not applicable.

(x) (a) To the best of our knowledge no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
(c) As represented by the Management, there was no whistle blower complaints received by the Company during the year (and upto the date of this audit report).

(xi) 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.

- (xii) According to the information and explanations given to us and based on our examination of the records of the Company and as certified by the management, 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, etc as required by the applicable accounting standards.
- (xiii) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business except the system needs to be further strengthened in terms of scope and coverage.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xiv) As per the information available and to the best of our knowledge in our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xv) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvi) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xvii) There has been no resignation of the statutory auditors of the Company during the year.
- (xviii) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xix) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company has spent the required amount u/s 135(5) towards corporate social responsibility by way of contribution to Prime Minister's National Relief Fund as prescribed under schedule VI of the Companies Act 1956 and hence reporting under the clause 3(xx) (b) is not applicable.

For V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak Madaan

Partner

Membership number: 547131

UDIN: 22547131ALPROA5788

Place: New Delhi

Date: 30-05-2022

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 2022 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 2022, 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

Sarthak Madaan

Partner

Membership number: 547131

UDIN: 22547131ALPROA5788

Place: New Delhi

Date: 30-05-2022

Standalone Balance Sheet

as at 31st March, 2022

Particulars	Notes	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
A ASSETS			
1 Non-current assets			
Property, plant and equipment	3A	18,245	18,092
Capital work in progress	3B	470	156
Right-of-use-assets	3C	-	66
Biological assets	4	202	239
Financial assets			
- Investments	5	3	3
- Trade receivable	6	66	93
- Other financial assets	7	100	114
- Other non-current assets	8	1,123	1,077
Total non - current assets		20,209	19,840
2 Current assets			
Inventories	9	1,976	3,281
Financial assets			
- Trade receivables	6	5,751	5,327
- Cash and cash equivalents	10	140	92
- Other financial assets	11	26	106
- Other current assets	12	2,260	2,292
Current tax assets (net)	30A/30B	63	11
Total current assets		10,216	11,109
TOTAL ASSETS		30,425	30,949
B EQUITY AND LIABILITIES			
1 Shareholders' funds			
Equity share capital	13	489	489
Other equity	14	11,779	11,415
Total equity		12,268	11,904
2 Non-current liabilities			
Financial liabilities			
- Borrowings	15	1,752	1,577
- Other financial liabilities	16	7,885	7,316
Deferred tax liabilities (net)	31D	877	998
Provisions	17 A	200	174
Total non - current liabilities		10,714	10,065
3 Current liabilities			
Financial liabilities			
- Borrowings	18	5,504	5,710
- Trade payable	19		
Total outstanding dues of micro enterprises and small enterprises		73	17
Total outstanding dues of creditors other than above		1,488	2,781
- Other financial liabilities	20	144	217
Other current liabilities	21	94	83
Provisions	17B	140	172
Total current liabilities		7,443	8,980
TOTAL EQUITY & LIABILITIES		30,425	30,949

Significant accounting policies 2
The accompanying notes are an integral part of the standalone financial statements

In terms of our report of even date

For V. P. Jain & Associates
Chartered Accountants
FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan
Partner
Membership No. : 547131

Harmesh Mohan Sood
Director
07951620

Kewal Krishan Kohli
Director
00127337

Gita Bawa
Director
00111003

Place : New Delhi
Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

Particulars	Notes	For the year ended 31 March, 2022 (Rs. in Lakhs)	For the year ended 31 March, 2021 (Rs. in Lakhs)
1 Revenue from operations	22	31,620	36,791
2 Other income	23	315	39
3 Total revenue (1+2)		31,935	36,830
4 Expenses			
(a) Cost of materials consumed	24	24,429	28,317
(b) Changes in inventories of finished goods and work-in-progress	25	1,444	2,468
(c) Employee benefits expenses	26	2,273	2,131
(d) Finance cost	27	732	821
(e) Depreciation and amortisation expenses	28	654	875
(f) Other expenses	29	2,172	1,892
Total expenses		31,704	36,504
5 Profit before tax (3-4)		231	326
6 Tax expense/ (credit) (net)			
(a) Current tax	31C	52	71
(b) Tax adjustment for earlier year		11	2
(c) MAT credit recognition		(60)	(63)
(d) Deferred tax	31D	(121)	72
Total tax expenses / (credit)		(118)	82
7 Profit/(loss) for the period (5-6)		349	244
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	(13)
Tax impact on re-measurement gain/ (losses) on defined benefit plans		(7)	4
Total other comprehensive income/ (losses) for the year (net of tax)		15	(9)
Total comprehensive income for the year		364	235
9 Earnings per share (of Rs 10/- each):			
Basic and diluted - in Rs	32	7.11	4.97
Significant accounting policies	2		

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

In terms of our report of even date

For V. P. Jain & Associates
Chartered Accountants
FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan
Partner
Membership No. : 547131

Harmesh Mohan Sood
Director
07951620

Kewal Krishan Kohli
Director
00127337

Gita Bawa
Director
00111003

Place : New Delhi
Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

Standalone Cash Flow Statement

for the year ended 31st March, 2022

	For the year ended 31 March, 2022 (Rs. in Lakhs)	For the year ended 31 March, 2021 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net profit before taxation	231	326
Adjustments for :		
Depreciation and amortisation expense	654	875
Finance costs	732	821
Liabilities no longer required written back	(35)	(29)
Provision for doubtful debts/ bad debts/ balance written off	13	5
Excess Depreciation reversed	(272)	-
Provision for slow / non moving inventory / others	4	7
Loss/ (Gain) on sale of properties, plant & equipment	(2)	(2)
Interest income	(8)	(9)
Operating profit before working capital changes	1317	1994
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	1301	2571
Trade receivables	(404)	(2121)
Other current & non current assets	52	(1577)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1232)	(322)
Other current & non current liabilities	508	874
Provision	(7)	(3)
Cash Generated From Operations	1535	1415
Income tax (paid) /refund (net)	(115)	(82)
Net cash flow from operating activities (A)	1420	1333
B. Cash flow from investing activities:		
Capital expenditure on property, plant and equipments (including CWIP)	(589)	(784)
Decrease in biological assets	37	(9)
Proceeds from sale of properties, plant and equipment	4	30
Interest received	8	9
Net cash flow used in investing activities (B)	(540)	(754)
C. Cash flow from financing activities:		
Repayment of borrowings	(32)	192
Repayment of lease liabilities	(68)	(116)
Finance costs paid	(732)	(821)
Net cash flow used in financing activities (C)	(832)	(745)
Net increase / (decrease) in cash & cash equivalents (A+B+C)	48	(166)
Cash and cash equivalents at the beginning of the year	92	258
Cash and cash equivalents at the end of the year	140	92

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'.

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

In terms of our report of even date

For V. P. Jain & Associates
Chartered Accountants
FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan
Partner
Membership No. : 547131

Harmesh Mohan Sood
Director
07951620

Kewal Krishan Kohli
Director
00127337

Gita Bawa
Director
00111003

Place : New Delhi
Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

Standalone Statement of changes in equity

for the year ended March 31, 2022

A. Equity share capital:

As at 31st March, 2022

(All amounts in Rs Lakhs, unless otherwise stated)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
489	-	489	-	489

As at 31st March, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
489	-	489	-	489

B. Other Equity

As at 31st March, 2022

Particulars	Reserves and Surplus			
	Notes	Securities Premium	Retained Earnings	Total
Balance at 1st April, 2021	14	670	10,745	11,415
Changes in accounting policy or prior period item		-	-	-
Restated balance at the beginning of the current reporting period		670	10,745	11,415
Profit/(Loss) for the year		-	349	349
Other comprehensive income/(expense) [net of tax]		-	15	15
Total comprehensive income for the year		-	364	364
Balance as at 31st March, 2022		670	11,109	11,779

As at 31st March, 2021

Particulars	Reserves and Surplus			
	Notes	Securities Premium	Retained Earnings	Total
Balance at 1st April, 2020	14	670	10,510	11,180
Changes in accounting policy or prior period item		-	-	-
Restated balance at the beginning of the current reporting period		670	10,510	11,180
Profit/(Loss) for the year		-	244	244
Other comprehensive income/(expense) [net of tax]		-	(9)	(9)
Total comprehensive income for the year		-	235	235
Balance as at 31st March, 2021		670	10,745	11,415

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

In terms of our report of even date

For V. P. Jain & Associates

Chartered Accountants

FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan

Partner

Membership No. : 547131

Harmesh Mohan Sood

Director

07951620

Kewal Krishan Kohli

Director

00127337

Gita Bawa

Director

00111003

Place : New Delhi

Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

NOTE 1 CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

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 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 30, 2022.
- (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 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 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 35 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 was consistently following the policy of charging depreciation over 20 years till 31.03.2021, notwithstanding certification by the Govt. approved valuer (Chartered Engineer) of the useful life of Plant & Machinery of more than 35 years. However w. e. f FY 2021-22 the company has taken a view on the basis of technical advice that plant in the dairy industry use non-corrosive raw materials, the expected life of the plant and machinery should be 35 years against which the company is providing depreciation on the basis of 20 years of life. 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 35 years (15 years specified in 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 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. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost.

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).
- (e) Carbon Credits are recognized on realization basis.

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/ value added taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of sales/ value added taxes 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

The Company's lease asset classes consist of leases for buildings and Plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. As a lessee, the Company determines the lease term as the non cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the span of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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-

MILKFOOD LIMITED
Notes to the Standalone financial statements for the year ended March 31, 2022
3A. Property, plant and equipment

(Rs. In Lakhs)

Particulars	Land	Building	Furniture & Fixtures *	Computers & Pheripherals	Vehicles	Plant & Equipment	Total
(I) At cost or deemed cost							
As at 1 April 2020	8131	3294	113	116	1034	7744	20,432
Additions	10	55	12	5	159	549	790
Disposals/ Impaired	-	-	-	-	83	-	83
As at 31 March 2021	8,141	3,349	125	121	1,110	8,293	21,140
Additions	1	185	109	7	234	11	546
Disposals/ Impaired (Refer foot note (vi))	-	-	-	-	129	670	799
As at 31 March 2022	8,142	3,535	234	128	1,215	7,634	20,887
(II) Accumulated depreciation							
As at 1 April 2020	-	490	37	35	429	1,350	2,341
Charge for the year	-	147	11	14	140	450	762
Deductions	-	-	-	-	55	-	55
As at 31 March 2021	-	636	48	50	513	1,799	3,046
Charge for the year	-	148	16	4	179	241	588
Deductions	-	-	-	-	50	244	294
Depreciation Reversed (Refer foot note (vi))	-	-	-	-	-	698	698
As at 31 March 2022	-	783	64	54	642	1,098	2,642
Net block Value (I) - (II)							
As at 31 March 2022	8,142	2,751	170	74	573	6,536	18,245
As at 31 March 2021	8,141	2,713	77	72	597	6,495	18,095

(3B) Capital work in progress:

As at 31 March, 2022	470
As at 31 March, 2021	156

(3B.1) Capital work in progress Ageing schedule

Capital work in progress	Amount in CWIP for a period of				
	<1 yr	1-2 yr	2-3 yrs	>3 yrs	Total
Projects in progress	470	-	-	-	470
Projects temporarily suspended	-	-	-	-	-

(3B.2) There are no projects overdue as on date or has exceeded its cost compared to its original plan.

(3C) Right of use

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Balance as at beginning of the year (In respect of building taken on lease)	66	166
Additions	-	41
Amortisation due to determination of Leases	-	27
Depreciation	66	114
Balance as at end of the year	-	66

Footnotes:

- (i) For details of Property, plant and equipment charged as security of borrowings. Refer Note 15(ii) & Note 18(i).
- (ii) Title deeds of all immovable properties are held in the name of Company.
- (iii) Estimated amount of capital contracts remaining to be executed is Rs. 42 Lakhs (PY Rs. 15 Lakhs).
- (iv) * includes office equipment.
- (v) The company has taken a view on the basis of technical advice that plant in the dairy industry use non-corrosive raw materials, the expected life of the plant and machinery should be 35 years against which the company is providing depreciation on the basis of 20 years of life.
- (vi) The calculation of depreciation for financial year 2016-17 onwards on the basis of 35 years of expected life has resulted into excess depreciation of Rs. 698 Lakhs. The net diminution in the value of certain plant and machinery amounts to Rs. 426 Lakhs. The company has taken the excess depreciation of Rs. 272 Lakhs as Non operating income in the statement of profit and loss account for the year ended 31.03.2022. Thus according to IND AS-8 the reserves and assets of the company are over stated by the said sum.
- (vii) Refer Note 39 for Covid 19 impact.

Note 4. Biological assets

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Trees & Plantation	202	239
Total	202	239

Footnotes:

Trees and plants are considered biological Assets as per Ind AS 41. During the year company has sold timber for a total consideration of Rs 40 Lakhs. Company has obtained the certificate of Agricultural Scientist with regard to fair valuation at the reporting date and has accounted the gain of Rs 3 lakhs on reinstatement.

Note 5. Financial assets - Investment

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (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 / Deposits	(i)	2	2
Total		3	3

Footnotes:

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

Note 6. Trade receivable

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Unsecured considered good	(i)	5,755	5,420
Significant increase in credit risk		69	28
Total		5,824	5,448
Less: Allowance for expected credit loss			
Unsecured considered good	(ii)	-	-
Significant increase in credit risk		7	28
Net Trade receivables		7	28
Unsecured considered good		5,755	5,420
Significant increase in credit risk		62	-
		5,817	5,420
Current		5,751	5,327
Non-current		66	93

Below table represents the trade receivables ageing from date of transaction

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022:						
a) Undisputed trade receivables						
Unsecured considered good	5,751	-	-	4	-	5,755
Significant increase in credit risk (Refer footnote ii)	-	-	69	-	-	69
	5,751	-	69	4	-	5,824
Less: Expected Credit Loss						
Unsecured considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	7	-	-	7
Net Trade Receivables						
Unsecured considered good	5,751	-	-	4	-	5,755
significant increase in credit risk	-	-	62	-	-	62
	5,751	-	62	4	-	5,817
As at 31 March 2021:						
a) Undisputed trade receivables						
Unsecured considered good	5,404	-	16	-	-	5,420
Significant increase in credit risk	-	-	-	28	-	28
	5,404	-	16	28	-	5,448
Less: Expected Credit Loss						
Unsecured considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	28	-	28
Net Trade Receivables						
Unsecured considered good	5,404	-	16	-	-	5,420
significant increase in credit risk	-	-	-	-	-	-
	5,404	-	16	-	-	5,420

Footnotes:

- i) In view of insignificant amount of bad debts and timely recovery in earlier years, allowance for expected credit loss is made on the simplified approach of provisions based in earlier years.

- ii) Represent receivables (under settlement including interest of 26.91 lakhs) from an entity facing an insolvency petition before the NCLT. Management is of the view that the amount will be received. However as a matter of abundant caution 10% of outstanding is provided for. Management is monitoring the situation closely and necessary accounting entry, if required, will be made in the subsequent financial year.
- iii) No trade receivables are due from directors or other officers of the company or any of them 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. Other financial assets

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Security deposits	(i)	91	89
(b) Loans and advances to employees Unsecured, considered good	(ii)	9	25
Total		100	114

Footnotes:

- (i) Includes Rs 73 Lakhs (previous year Rs.71 Lakhs) with Govt departments and are shown at carrying amount. In respect of security deposits with non Govt. departments of Rs 18 Lakhs given to various parties, Rs 17 Lakhs pertains to electricity security deposits recoverable from M/S Ispace Developers Private Limited which the management considers good for recovery.

Note 8. Other non current assets

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Prepaid expenses		8	10
(b) Capital Advances		3	4
(c) Deposit with sales tax and other Authorities	(i)	72	72
(d) MAT credit receivable	(ii)	915	853
(e) Income tax refund of earlier years		17	-
(f) Advance to suppliers / Others	(iii)	107	138
Total		1,123	1,077

Footnotes:

- (i) Deposits with Sales Tax Authorities amounting to Rs. 71 Lakhs represent the amount deposited as a pre-condition for preferring appeal. Appellate Authority-1 Jaipur, CTO vide order Dated 22.12.2021 has determined tax liability of Rs 71 Lakhs against which petition has been filed before the Rajasthan Tax Board Ajmer. Company is of the view that the Appeal would be decided in its favour and hence no provision has been made.
- (ii) MAT credit of Rs. Nil Lakhs (PY Rs.47 Lakhs) pertaining to earlier years has been written off during the year and MAT Credit of Rs 62 lakhs (PY Rs 63 lakhs) has been recognised during the year.
- (iii) Refund of Rs.17 Lakhs for the AY 2017-18 (classified as Other Current assets in the previous year) 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. It is being followed up with IT Department for refund.
- (iv) Includes amount of Rs. 74 Lakhs (P.Y. Rs.114 Lakhs) advance to supplier recoverable from earlier years. The same will be received/adjusted in the financial year 2022-23, The management is of the view that amount is good for recovery and hence no provision is made. The amount of Rs 17 Lakhs (14.91% of total advances) represents expenses incurred on behalf of related party whose property was hypothecated against borrowings in earlier years which was released during the year. The amount is considered good for recovery and will be received along with interest in the subsequent financial year.

Note 9. Inventories

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Work-in-progress	(i)	626	699
(b) Finished goods		742	2,111
(c) Stores and spares		330	288
(d) Packing materials		278	183
Total		1,976	3,281

Footnotes:

- (i) Includes non moving / slow moving stocks of packing material and general stores of Rs 14 Lakhs (P.Y. Rs.18 Lakhs) net of provision of Rs 4 Lakhs (PY Rs. 5 Lakhs). Management is of the view that the same will be utilised / disposed off in the financial year 2022-23. Adjustment if any shall be made in the subsequent year.
- (ii) For details of inventories provided as security for borrowings. Refer Note 18.
- (iii) The mode of valuation of inventories has been described in Note 2.12.

Note 10. Cash and cash equivalents

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Cash on hand	(i)	2	9
(b) Balances with banks			
Margin accounts		138	83
Total		140	92

Footnotes:

- (i) Towards bank guarantee given to govt. departments/corporations for performance of contractual obligations.

Note 11. Financial Assets - others

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Interest receivable	(i)	5	15
(b) TDS receivable (Others)		7	3
(c) Conversion charges receivable		-	4
(d) Margin Money		-	68
(e) Loan/Imprest to employees (Unsecured, considered good)		13	16
Total		26	106

Footnotes:

- (i) Represent job work executed pending dispatch.
- (ii) Towards bank guarantee given to govt. departments/corporations for performance of contractual obligations.

Note 12. Other current assets

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Prepaid expenses		75	84
(b) Advance to suppliers - unsecured, considered good		243	15
(c) Goods & Service Tax credit receivable	(i)	290	427
(d) Income tax refund of earlier years	(ii)	17	109
(e) Goods & Service Tax deposit	(iii)	1,627	1,627
(f) Earnest money deposit with Govt. Department		8	30
Total		2,260	2,292

Footnotes:

- (i) Represent GST input credit (net).
(ii) Represents Income Tax Refund for the AY 2021-22
(iii) Goods and Service Tax Department has generally verified the transaction of the dealers vis input tax credit. In this regard, they have also carried out the verification of ITC of Four Dealers. The company has been cooperating in the investigation proceedings and has partially deposited a sum of Rs 16.27 Crores as Tax voluntarily deposited under protest. The amount paid to the department under protest is shown as GST recoverable in the financials of the company. Company has received a show cause notice from Moradabad Range in this regard for Rs.25 Crores and has filed its reply & order is expected shortly after the personal hearing. Legally, the company has been advised of its success as the entire payment to the dealers is made through banking channels for purchases which has been duly confirmed by bank.

Note 13. Share capital

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
(a) Authorised				
Equity shares of Rs.10 each	75,00,000	750	75,00,000	750
Cumulative redeemable preference shares of Rs. 100 each	50,000	50	50,000	50
Total	75,50,000	800	75,50,000	800
(b) Issued				
Equity shares of Rs. 10 each fully paid up	48,87,890	489	48,87,890	489
(c) Subscribed and Paid up				
Equity shares of Rs.10 each	48,86,440	489	48,86,440	489
Less: Calls in arrears	0	0		
(Rs.0.19 lakhs on 2875 partly paid shares)	48,86,440	489	48,86,440	489
Add :Amount paid on forfeited shares (Rs.0.07 lakhs on 1450 shares)	0	0		
Total	48,86,440	489	48,86,440	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	48,86,440	489	48,86,440	489
Issued during the year	-	-	-	-
Outstanding at the end of the year	48,86,440	489	48,86,440	489

Footnotes:

- (i) 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.
(ii) 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.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Singh Jaiswal	17,00,024	34.79%	17,00,024	34.79%
Ms Roshini Sanah Jaiswal	7,00,060	14.33%	7,00,060	14.33%
Dhanvani Investment Pvt. Ltd.	5,60,861	11.48%	5,60,861	11.48%
Sudha Commercial Co. Ltd.	4,89,103	10.01%	4,89,103	10.01%
Jupiter India Fund	3,15,146	6.45%	3,15,268	6.45%

Details of shares held by promoters in the Company	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Singh Jaiswal	17,00,024	34.79%	17,00,024	34.79%
Ms Roshini Sanah Jaiswal	7,00,060	14.33%	7,00,060	14.33%
M/S Blue Skies Investments P. Ltd	25,250	0.52%	25,250	0.52%
M/S Snowwhite Holding P.Ltd	23,000	0.47%	23,000	0.47%

Note 14. Other equity

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Securities premium	(i)	670	670
(b) Retained earnings	(ii)	11,109	10,745
Total		11,779	11,415

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.
- Includes revaluation reserve of Rs. 5,204 Lakhs (PY Rs. 5,245 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. 246 Lakhs (PY Rs. 205 Lakhs) on revalued figure].
- The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 15. Long-term borrowings

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) <u>From Banks: Secured at amortised cost</u>	(ii)		
Rupee term loan		1,520	1,287
Total (a)		1,520	1,287
(b) <u>From Banks: Unsecured at amortised cost</u>			
Rupee term loan		28	31
Total (b)		28	31
(c) <u>From Others: Secured at amortised cost</u>			
Vehicle loan		127	210
Total (c)		127	210
(d) <u>From Others-Unsecured at amortised cost</u>			
Rupee term loan		77	49
Total (d)		77	49
Grand Total (a+b+c+d)		1,752	1,577
Less: Unamortised finance cost		1,752	1,577

Footnotes:-

(i) Detail of loans:

	Non Current	Current Maturity	Total
a) <u>From Banks: Secured at amortised cost</u>			
Canara Bank	-	58	58
Date of sanction 20/07/2019, no of installments due 03, ROI Per Annum @ 11.70%, date of maturity 30/06/2022	(58)	(442)	(500)
State Bank of India	-	-	-
Date of sanction 23/07/2015, no of installments due Nil, ROI Per Annum @ 13.35%, date of maturity 30/06/2021	-	(49)	(49)
Canara Bank Term Loan GECL-2.0	219	75	294
Date of sanction 16/02/2021, no of installments due 47 after considering moratorium of principle 12 Months, ROI Per Annum @ 7.50%, date of maturity 23/02/2026.	(300)	-	(300)
Canara Bank Term Loan GECL-2.0 (Extension)	183	-	183
Date of sanction 03/11/2021, no of installments due 48 after considering moratorium of principle 24 Months, ROI Per Annum @ 7.50%, date of maturity 09/09/2027.	-	-	-
State Bank of India Term Loan GECL-2.0	655	231	886
Date of sanction 04/01/2021, no of installments due 46 after considering moratorium of principle of 12 Months, ROI Per Annum @ 7.95%, date of maturity 31/01/2026	(929)	-	(929)
State Bank of India Term Loan GECL-2.0 (Extension)	463	-	463
Date of sanction 24/11/2021, no of installments due 48 after considering moratorium of principle of 24 Months, ROI Per Annum @ 7.95%, date of maturity 30/11/2027	-	-	-

	Non Current	Current Maturity	Total
b) From Banks: Unsecured at amortised cost			
IDFC First Bank Ltd	-	26	26
Date of sanction 25/10/2019, no of installments due 08, ROI Per Annum @ 15.50%, date of maturity 02/11/2022	(26)	(35)	(61)
ICICI Bank Ltd	28	15	43
Date of sanction 02/09/2021, no of installments due 30, ROI Per Annum @ 15%, date of maturity 05/09/2024	-	(23)	(23)
HDFC Bank Ltd	-	-	-
Date of sanction 16/11/2019, no of installments due Nil, ROI Per Annum @ 15.50%, Date of maturity 06/11/2021	-	(18)	(18)
Kotak Mahindra Bank Ltd	-	4	4
Date of sanction 31/03/2019, no of installments due 01, ROI Per Annum @ 15.50%, date of maturity 01/04/2022	(4)	(46)	(50)
c) From Others: Secured at amortised cost			
Vehicle Loan	127	168	296
Kotak Mahindra Prime Ltd (Various Loans), 1st date of sanction 13.03.2019 as per repayment schedule, no of installments due 388, ROI Per Annum @ 9.70%, to 14.50%, last date of maturity 05/03/2025.	(210)	(192)	(402)
d) From Others-Unsecured at amortised cost			
	77	59	136
NBFC - (Two Loans) Date of sanction 3rd May 2019, no.of installments due 37, ROI Per Annum @15.5% to 17%, date of maturity 4th April' 2024.	(49)	(241)	(290)
Total	1,752 (1,577)	637 (1,045)	2,389 (2,622)

(ii) Figures in bracket relates to the previous year.

- (iii) a) Term Loan of Rs 1560 lakhs was secured by exclusive charge on the Fixed Assets to the extent of Rs 3216 Lakhs. The entire loan has been repaid except Rs 58 Lakhs which is outstanding at the reporting date. However, satisfaction of the charge is pending at the end of Bank. The Loan is further secured 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 and Moradabad Plants. Charge on company's brand "Milkfood" is for both WC & TL on 1st pari-passu basis with SBI.
- b) GECL-2.0 and as extended (WCTL) of SBI of Rs 1389 Lakhs & CB of Rs.483 Lakh are secured by way of extension of 2nd charge over the existing primary and collateral securities including mortgages created in favour of the consortium banks on pari passu basis. GECL 2.0 and as extended (WCTL) of Canara Bank are secured by 1st Pari passu Charge on entire Current Assets of the Company including Receivables and collaterally secured by pari pasu charge on equitable mortgage of Factory land and building located at Bahadurgarh, patiala and Moradabad. Refer Note 18(i).
- (iv) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (v) Company has not been declared as wilfull defaulter by any bank or financial institution or any other lender.

Note 16. Financial liabilities - other

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Security deposits	(i)	7,884	7,292
(b) Other payable	(ii)	1	1
(c) Lease Liabilities		-	23
Total		7,885	7,316

Footnotes:

- (i) Company has treated a sum of Rs 7884 lakhs (PY 7292 lakhs) lacs as as per trade practice followed consistently in the past and shown the same as non current liability.Regarding movement in the security deposits during the year the management is of the view that the same is within the group entities of the vendors and overall, there is no significant impact .
- (ii) Payable to ex-employee pending final decision of court.

Note 17. Provisions

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(A) Non current		
(a) Provision for employee benefits:		
Gratuity	177	158
Compensated absences	23	16
Total	200	174
(B) Current		
(a) Provision for employee benefits:		
Gratuity	118	151
Compensated absences	21	22
Total	139	173

Footnotes:

Provision for Gratuity and compensated absences has been made in terms of IND AS-19.(Refer note no. 35).

Note 18. Financial liabilities - short -term borrowings

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
From bank/ others - secured/ unsecured			
a) Cash credit limit	(i)	4,867	4,666
b) Current maturities of long term debts (Refer note 15(i))		637	1,044
Total		5,504	5,710

Footnotes:

- (i) Cash Credit limit sanctioned by State Bank of India/Canara Bank are secured by charge on pari passu basis on all present & future current assets including stocks and book debts and extension of charge on pari-passu basis on the fixed assets (excluding vehicles) of the company and exclusive charge on the Brand "MILKFOOD". Refer Note 15(ii).
- (ii) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (iii) Company has not been declared as wilfull defaulter by any bank or financial institution or any other lender.

Note 19. Financial liabilities - Trade payable

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises	(i)	73	17
(b) Total outstanding dues of creditors other than above		1,488	2,781
Total		1,561	2,798

Below table represents the trade payables ageing:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022:					
Undisputed trade payables					
Micro enterprises and small enterprises	73	-	-	-	73
Others	1,488	-	-	-	1488
	1,561	-	-	-	1,561
As at 31 March 2021:					
Undisputed trade payables					
Micro enterprises and small enterprises	17	-	-	-	17
Others	2,781	-	-	-	2781
	2,798	-	-	-	2,798

Footnote:

- (i) This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 20. Other financial liabilities - current

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Public deposits with interest	(i)	2	5
(b) Outstanding expenses including salary & wages etc.	(ii)	132	157
(c) Staff advances		10	10
(d) Lease Liabilities		-	45
Total		144	217

Footnotes:

- (i) Includes Rs. Nil (P.Y. Rs. 1 Lakhs) towards principal amount and Rs.2 Lakhs (P.Y. Rs. 4 Lakhs) towards interest in respect of unclaimed matured deposits.
- (ii) Includes rent payable for earlier years of Rs. 3 Lakhs (P.Y. Rs. 3 Lakhs) pending court case.

Note 21. Other current liabilities

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Statutory remittances (Contribution to PF & ESI, TDS, GST, etc)	60	57
(b) Advances from Customers	34	26
Total	94	83

Note 22. Revenue from operations

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Sale of products	(i)	30,557	36,079
(b) Other operating revenues	(ii)	1,063	712
Revenue from operations		31,620	36,791

Footnotes:

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(i) Sale of products comprises:		
- Ghee	30,471	35,970
- Milk powder	86	110
Total - Sale of products	30,557	36,079
(ii) Other operating revenues comprises:		
Sale of scrap	5	11
Sale of Carbon Credit (Refer Note No 2.14)	97	2
Misc Balance Written Back	5	-
Insurance Claim and incentive	3	-
Conversion charges of Milk to Powder, butter and ghee	953	699
Total - Sale of products	1063	712

Note 23. Other income

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Interest income (Refer Note 6(ii))	(i)	38	9
(b) Liability no longer required		-	23
(c) Gain on cancellation of Lease under Ind AS 116		-	5
(d) Fair value gain on reinstatement of Trees and Plantation (Refer Note 4)		3	-
(e) Profit on sale of assets		2	2
(f) Depreciation reversed (Refer Note 3(v) and (vi))		272	-
Total		315	38

Footnotes:

- (i) Includes Rs 27 Lakhs (PY: NIL) from vendor, Rs 7 Lakhs (PY: NIL) on Income tax Refund and Rs 4 Lakhs (PY: Rs. 9 Lakhs) on Term Deposits from Banks.

Note 24. Cost of material consumed

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Raw materials	(i)		
Inventories at the beginning of the year		0	32
Add: Purchases		23576	27425
Less: Inventories at the end of the year		0	0
Consumption (a)		23576	27457
(b) Packing materials			
Inventories at the beginning of the year		183	192
Add: Purchases		949	851
Less: Inventories at the end of the year		278	183
Consumption(b)		854	860
Total (a+b)		24429	28317

Footnotes:

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(i) Raw material consumed comprises:		
Milk	48	99
Fat & butter	23,528	27,326
Milk powder	-	32
Total	23,576	27,456

Note 25. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	741	2,111
Work-in-progress	625	699
	1,366	2,810
<u>Inventories at the beginning of the year:</u>		
Finished goods	2,111	4,679
Work-in-progress	699	599
	2,810	5,278
Net (increase) / decrease	1444	2468

Note 26. Employee benefits expenses

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Salaries, wages and other benefits	(i)	2047	1933
(b) Contributions to provident funds / ESI		118	111
(c) Gratuity & compensated absences	(ii)	57	49
(d) Staff welfare expenses		50	38
Total		2273	2131

Footnote:

- (i) Includes bonus of Rs. 30 Lakhs (P.Y. Rs. 32 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 27. Finance costs

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Interest expense		
on Term Loan	192	252
on Cash Credit	444	505
on Lease Liabilities (ROU)	7	15
(b) Other borrowing costs (Bank and other financing charges)	88	49
Total	732	821

Note 28. Depreciation & amortisation expenses

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
a) Depreciation of property, plant and equipment (Refer Note no. 2.6(iii) and 3A)	588	761
b) Amortisation of right-of-use assets (Refer Note 2.23 & 3C)	66	114
Total	654	875

Note 29. Other expenses

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Consumption of stores and spare parts		57	49
Power and fuel		695	533
Repairs and maintenance:			
- Building		3	6
- Machinery		62	56
Inventory written off		4	-
Freight & forwarding expenses		275	278
Commission		4	11
Selling & distribution expenses		28	21
Advertisement expenses		16	31
Rates and taxes		52	42
Rent		114	58
Auditors remuneration	(i)	13	14
Office maintenance & house keeping		151	158
Legal & professional		208	160
Insurance expenses		91	87
Travelling & hotel expenses		42	42
Vehicle expenses		61	53
Watch & ward expenses		34	37
Postage & telephone expenses		17	18
Provision for doubtful debts		7	-
Contribution for corporate social responsibility (CSR)	(ii)	17	22
Miscellaneous expenses	(iii)	221	215
Total		2172	1892

Footnote:

(i) Auditors remuneration

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
- Audit fee	12	12
- Certification	-	1
- Reimbursement of expenses	1	1
Total	13	14

(ii) Amount required for CSR contributed to PM's National Relief Fund.

(iii) Includes Conveyance expenses Rs 11 Lakhs (PY Rs 8 Lakhs), Telephone Charges Rs 15 Lakhs (PY Rs 16 Lakhs), Sundry expenses of Rs.10 Lakhs (P.Y.13 lakhs), Misc Balances written off Rs 6 Lakhs (PY Rs 5 Lakhs), Water and electricity Rs 87 Lakhs (PY Rs 76 Lakhs), Income Tax Others Rs 42 Lakhs (PY Rs 54 Lakhs), GST Block credit expenses Rs 10 lakhs (PY Rs 6 Lakhs).

Note 30 (A). Current tax liabilities

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Provision for tax	52	72
Total	52	72

Note 30 (B). Current tax assets

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Advance tax / TDS / TCS	115	83
Total	115	83

Note 31 (C) Tax expenses

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (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	52	71
Earlier year tax Expenses	11	2
MAT credit	(60)	(63)
Deferred tax charge / (credit)	(121)	72
Total	(118)	82
(b) Other comprehensive income		
Re-measurement of defined benefit plan	7	(4)
Total	(111)	78

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Reconciliation of tax expense:		
Accounting profit before income tax	231	326
Applicable tax rate	33.38%	33.38%
Computed tax expenses	77	109
Effect of prior period adjustments in deferred tax	(305)	(90)
Effect of prior period adjustments in current tax	11	2
Effect of prior period adjustments in MAT credit	(8)	(8)
Non-deductible expenses for tax purposes		
Other non-deductible expenses u/s 115JB including differential rate of tax	114	69
Income tax expense reported in statement of profit and loss account	(111)	82

Note 31 (D) Tax expenses

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2022			
	As at 01 April, 2021	Recognised in		As at 31 March, 2022
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,129	230	-	1,359
Others	22	(22)	-	-
(A)	1,152	208	-	1,359
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / unabsorbed depreciation	0	59	-	59
Provision for gratuity and compensated absences	116	4	(7)	113
Disallowances under section 43B of the Income Tax Act, 1961	6	(1)	-	5
Provision for doubtful debts	9	(9)	-	-
Mat	-	305	-	305
Others	23	(23)	-	-
(B)	154	336	(7)	483
Deferred tax liability (net)	998	(128)	7	877

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2021			
	As at 01 April, 2020	Recognised in		As at 31 March, 2021
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,117	12	-	1,129
Others	56	(34)	-	22
(A)	1,173	(21)	-	1,152
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / Unabsorbed depreciation	60	(60)	-	-
Provision for gratuity and compensated absences	112	-	4	116
Disallowances under Section 43B of the Income Tax Act, 1961	6	-	-	6
Provision for doubtful debts	9	-	9	-
Others	59	(36)	-	23
(B)	246	(96)	4	154
Deferred tax liability (net)	927	76	(4)	998

Footnote:

- (i) Revaluation impact in Land & Building is not considered for computing deferred tax.

Note 32. Earnings per share

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Basic and diluted		
Net profit attributable to equity shareholders (Rs. in Lakhs)	349	244
Weighted average number of equity shares (Nos.)	48,86,440	48,86,440
Par value per share (In Rs.)	10	10
Earnings per share - Basic and diluted (in Rs.)	7.11	4.97

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 (P) Ltd. MFL Trading Pvt Ltd (Wholly owned subsidiary Company)
(b) Key Management Personnel (Managing Director / COO/ CFO/Company Secretary/Directors and their relatives)	Mr Karamjit Jaiswal Ms Roshini Sanah Jaiswal Mr Sudhir Avasthi (Appointed as Managing Director w.e.f 01.07.2021) Mr Deepankar Barat (President) Mr Amarbaljeet Singh (COO) Mr Harmesh Mohan Sood (Resigned as Managing Director w.e.f 30.06.2021 and continued as Non Executive Director w.e.f 01.07.2021) Ms Gita Bawa (Independent Director) Ms Asha Gadi (Independent Director) Mr Anil Girotra (Independent Director) Mr Kewal Krishan Kohli (Independent Director) Ms Preeti Mathur (Director) Mr Sanjeev Kothiala (CFO) Mr Rakesh K Thakur (CS) Mrs Shakun Jaiswal (Relative of KMP)

(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)
i) Electricity expenses paid	11 (8)	- -	11 (8)
ii) Rent (Lease liabilities including interest paid)	-	-	-
i) Jagatjit Industries Ltd	41 (41)	- -	41 (41)
ii) Pashupati Properties Pvt .Ltd (Lease liabilities including interest paid)	12 (12)	- -	12 (12)
iii) Anjani Estate Pvt.Ltd (Lease liabilities including interest paid)	11 (11)	- -	11 (11)

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
iv) Mata Contrtuction & Builders Pvt. Ltd (Lease liabilities including interest paid)	12 (12)	- -	12 (12)
iii) Reimbursement of other expenses incurred by Jagatjit Industries Ltd on behalf of Company	1	-	1
iv) Rent Received / Expenditure recovered from Jagatjit Industries Ltd	- (2)	- -	- (2)
v) Expenditure incurred on behalf of Jagatjit Industries Ltd	2 (1)	- -	2 (1)
vi) Payment made to vendor on behalf of Jagatjit Industries Ltd	17 -	- -	17 -
vii) Advance given to Ispace Developers (Pvt) Ltd	1 -	- -	1 -
viii) Managerial Remuneration (refer note 27(i)b)			
Mr Karamjit Jaiswal	-	151	151
Ms Roshini Sanah Jaiswal	-	172	172
Mr Sudhir Avasthi (CEO till 30.06.2021 and Managing Director w.e.f 01.07.2021).	-	176	176
Mr Deepankar Barat (President)	-	162	162
Mr Amarbaljeet Singh (COO)	-	34	34
Mr Harmesh Mohan Sood [as Managing Director till 30.06.2021 and as professional director w.e.f 01.07.2021] <i>refer footnote (iv)</i>	-	9	9
Mr Sanjeev Kothiala (CFO)	-	27	27
Mr Rakesh K Thakur (CS)	-	12	12
Total Managerial Remuneration		743 (790)	743 (790)
ix) Rent and Security Paid (PY: for part of the year)			
Mr Karamjit Jaiswal	- -	20 (14)	20 (14)
Mrs Shakun Jaiswal	- -	20 (9)	20 (9)
Ms Roshini Sanah Jaiswal	- -	20 (9)	20 (9)
x) Loan taken from Director	- -	- (320)	- (320)
xi) Loan repayment to Director	- -	- (320)	- (320)
xii) Directors sitting fees			
Ms Gita Bawa (Independent Director)	-	0.4	0.4
Ms Asha Gadi (Independent Director)	-	0.3	0.3
Mr Anil Girotra (Independent Director)	-	0.3	0.3
Mr Kewal Krishan Kohli (Independent Director)	-	0.4	0.4
Ms. Preeti Mathur (Director)	-	0.4	0.4
Mr H M Sood (Non Executive Director)	-	0.4	0.4
Total Director sitting fees		2.2 (4)	2.2 (4)

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
xiii) Amount receivable/ (Payable) (Jagatjit Industries Ltd)	4 (4)	- -	4 (4)
xiv) Advance receivable from Ispace developers (Pvt) Ltd	17 (17)	- -	17 (17)
xv) Electricity Security Deposit recoverable from Ispace developers (Pvt) Ltd	17 (17)	- -	17 (17)

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) Rent (lease liability including interest) is certified by the the management as per prevelant market rates and for business purposes of the company.
- (iv) Professional charges of Rs 13 Lakhs paid to HM Sood not included above.
- (v) Figures in bracket relates to the previous year.

Note 34. Contingent liabilities

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Claims against the company not acknowledged as debts*		
(a) Sales tax Refer Note no.8(i)	71	71
(b) Penalty under Khaad Suraksha and manak Adhinium 2006	2	2
(c) Others	5	5
Total	78	78

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, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Employers' contribution to providend fund and family pension fund	113	105

(B) Defined benefit plans

The company operates on one defined benefit plan i.e., gratuity for its employees including Key managerial personnel except Mr Karamjit Jaiswal, Ms Roshini Sanah Jaiswal, Mr. Deepankar Barat, Mr. Amarbaljeet Singh & Mr. H M Sood. 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, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Expense recognised in the statement of profit and loss:		
Under profit and loss section		
Current service cost	27	27
Net interest cost	19	18
	46	45
Under other comprehensive income section		
Actuarial (gains)/losses		
Due to experience adjustments	(18)	13
Difference in Present value of obligations	(4)	(1)
	(22)	12
(b) Net liabilities recognised in the balance sheet		
Present value of obligation	295	309
Fair value of plant assets	-	-
Funded status (deficit)	295	309
Net liabilities recognised in the balance sheet accounted for as below:		
Provision non current (refer note 17 A)	177	158
Provision current (refer note 17 B)	118	151
(c) Present value of defined benefit obligation		
Present value of obligation at the beginning of year	309	293
Current cost	27	27
Interest cost	19	18
Remeasurement due to		
Actuarial loss/(gain) arising on account of experience changes	(18)	13
Actuarial loss/(gain) arising from difference in present value of obligations	(4)	(1)
Benefits paid	(38)	(42)
Present value of defined obligation at the end of the year	295	309
(d) The principal assumptions used in determining defined benefit obligations:		
Discount rate	6.73% p.a	6.65% p.a
Salary rise	3.5% p.a to 5% p.a	3.5% p.a to 5% p.a
Attrition rate	5% p.a	5% p.a
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority promotion (as per HR policy) and other relevant factors, such as supply and demand in the employment market.

(e) Sensitivity analysis:

	For the year ended 31 March, 2022	
	1% increase	1% decrease
Discount rate	(10)	11
Salary increase rate	11	(10)
Employee attrition rate	1	(1)

	For the year ended 31 March, 2021	
	1% increase	1% decrease
Discount rate	(9)	10
Salary increase rate	10	(9)
Employee turnover	1	1

The sensitivity analysis 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, Security Deposits Received 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 and security deposits that are out of regular business operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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:

(Rs. in Lakhs)

	31 March, 2022		31 March, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(73)	73	(77)	77

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 Prices of the raw material keep fluctuating frequently and the company passes the same to the customers through appropriate adjustment to selling prices. During the year, company could not pass on to the customers increase in the prices of various raw materials due to their lower paying capacities and severe competitive conditions on account of COVID -19 Pandemic. (Refer note 39)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default 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. In majority of cases of Trade receivables are collected in time. However, the collection period from the trade receivables during the year has extended due to COVID 19 Pandemic. Expected Credit Loss is too low considering the past record and management does not foresee any significant change in the same due to COVID 19 Pandemic.

(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 vendors. 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-22				
Non-current borrowings	-	1,065	687	1,752
Current borrowings*	5,504	-	-	5,504
Trade payables	1,561	-	-	1,561
Other financial liabilities**	144	7,885	-	8,030
Total	7,209	8,950	687	16,846
31-Mar-21				
Non-current borrowings	-	1,045	532	1,577
Current borrowings*	5,710	-	-	5,710
Trade payables	2,798	-	-	2,798
Other financial liabilities**	217	7,316	-	7,533
Total	8,725	8,361	532	17,618

*Current borrowings represent working capital loan (Cash credit) and Current maturities of Long term borrowings

**Includes security deposit & lease liabilities 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

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity. 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 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. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company.

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Non-current borrowings	1,752	1,577
Current borrowings	5,504	5,710
Less: Cash and cash equivalents	140	92
Net debt	7,116	7,195
Equity share capital	489	489
Other equity	11,779	11,415
Total capital	12,268	11,904
Gearing ratio	58%	60%

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 significant changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note 38. Fair value

Fair value measurement:

- (i) All the financial assets and financial liabilities of the company are carried at amortised cost.
- (ii) 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.
- (iii) 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

The outbreak of Covid-19 pandemic has caused significant disturbance and slowdown of economic activities globally. The lockdowns ordered by most of the State Government have resulted in the slowdown of economic activities. This has adversely resulted in the business operations of the Company in terms of sales and production. The Revenue from operations for the year ended 31.03.2022 has fallen by Rs 5171 Lacs, besides this there has been increase in the prices of various raw materials which could not be passed on to the customers due to their lower paying capacities and severe competitive conditions. All these factors resulted in the decline in the Profits of the company in the current year vis a vis last year. The management has considered the effects which resulted from the pandemic and resultant increase in cost of inputs. Based on the current indicators of future economic conditions and company engaged in dairy business (essential services), the management expects to generate sufficient revenue (pre Covid 19 pandemic), recover the receivables and dispose of stocks. The management is closely monitoring the situation regarding any material changes in future economic conditions. Given the uncertainties, the final impact on Company's ability to recover assets in future may differ from that estimated as at the date of approval of these financial results. The Production Capacity of one plant remained under utilized due to less demand of ghee on account of Covid 19 pandemic. Management is of the view that this is the temporary phase and the plant will be substantially utilized for generating revenue when the demand of ghee increases in the subsequent quarters as the pandemic and inflation conditions improve. Considering all these factors no impairment testing has been done on the reporting date.

Note 40. Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are defined in schedule VII of the Companies Act which inter- alia includes contribution to the Prime Minister National Relief Fund, PM Cares 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. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
i) Amount required to be spent by the company during the year	17	22
ii) Amount of expenditure incurred	17	22
iii) Shortfall at the end of the year	Nil	Nil
iv) Total of previous years shortfall	Nil	Nil
v) Reason for shortfall	N.A	N.A
vi) Nature of CSR Activities	Contributions to Prime Minister's National Relief Fund	

Note 41. Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2022	For the year ended 31 March, 2021	% Change	Reason for variance
a. Current ratio (in times)	Current assets	Current liabilities	1.37	1.24	10.96%	N.A
b. Debt-equity ratio (in times)	Total debt	Equity	0.59	0.61	-3.39%	N.A
c. Debt service coverage ratio (in times)	Earnings available for debt service:= Net Profit after taxes + Non cash operating expenses + Interest -Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service= Interest and lease payments + Principal repayments	2.29	1.78	28.38%	Due to reduction in current maturities of long term debt on account of repayment.
d. Return on equity (in %)	Net profits after taxes	Average shareholder's equity	2.88%	2.07%	39.44%	Reversal of depreciation (refer footnote 3(vi)).
e. Inventory turnover Ratio (in times)	Cost of material consumed +Purchase of stock-in-trade	Average inventory	9.29	6.20	49.95%	Reduction in margins because of low paying capacity of consumers.
f. Trade receivables turnover ratio (in times) Refer foot note (i)	Revenue from operations	Average accounts receivable	5.63	8.43	-33.29%	Less sales and lower realisations from debtors on account of Less material sold on credit because of adverse market conditions.
g. Trade payables turnover ratio (in times) Refer foot note (ii)	Net credit purchases	Average trade payables	11.21	9.53	17.60%	N.A
h. Net capital turnover ratio (in times)	Net sales	Working capital	11.40	17.28	-34.04%	Sales have gone down due to adverse market conditions, working capital has increased due to significant decrease in creditors.
i. Net profit ratio (in %)	Net profits after taxes	Net sales	1.10%	0.66%	66.40%	Reversal of depreciation (refer footnote 3(vi)).
j. Return on capital employed (in %)	Earning before interest and taxes	Capital employed	4.19%	5.22%	-19.75%	N.A
k. Return on investment (in %) Refer note no (iii)	Income generated from investments	Time weighted average investments	-	-	-	N.A

Footnote

- i) Revenue represents sale of Finished products, Job work charges, carbon credit sales, scrap sales. In the absence of availability of figures of Net credit sales, total revenue has been considered as numerator.
- ii) In the absence of availability of figures of Net credit purchases, total purchases have been considered as numerator.
- iii) In view of the fact that the income generated during the year from the Margin money with the Bank (considered as cash and cash equivalent) is immaterial and insignificant amount of investment in the loss making subsidiary company, the ratio is not calculated.

Note 42. Borrowings secured against current assets

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
Q-1	State Bank of India/ Canara Bank	Trade Receivable	6,974	5,610	1,364	On account of sales/ Trade receivables reconciliation.
	State Bank of India / Canara Bank	Inventory - Raw Material	936	1,435	-499	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Finished Goods	916	1,684	-768	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Stores & Spares	512	514	-2	Rounding off
Q-2	State Bank of India / Canara Bank	Trade Receivable	6,001	6,067	-66	On account of sales/ Trade receivables reconciliation.
	State Bank of India / Canara Bank	Inventory - Raw Material	1,118	780	338	Difference in adopting the rate of valuation
	State Bank of India / Canara Bank	Inventory - Finished Goods	356	919	-563	On account of valuation made at sale price instead of lower of cost or NRV.
	State Bank of India / Canara Bank	Inventory - Stores & Spares	544	543	1	Rounding off
Q-3	State Bank of India / Canara Bank	Trade Receivable	5,741	6,418	-677	On account of sales/ Trade receivables reconciliation.
	State Bank of India / Canara Bank	Inventory - Raw Material	877	1,200	-323	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Finished Goods	766	1,157	-391	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Stores & Spares	497	492	5	Rounding off
Q-4	State Bank of India / Canara Bank	Trade Receivable	5,824	5,821	3	Rounding off
	State Bank of India / Canara Bank	Inventory - Raw Material	626	626	-	-
	State Bank of India / Canara Bank	Inventory - Finished Goods	742	742	-	-
	State Bank of India / Canara Bank	Inventory - Stores & Spares	604	603	1	Rounding off

Note 43. Relevant Additional Regulatory Information: (Other than disclosed in the respective notes)

- The operating cycle of the company is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets/ liabilities have been classified as current/ non current.
- No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

- (iii) The Company do not have any transactions with companies struck off.
- (iv) Pursuant to the order dated 13th May'2022 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench regarding the scheme of amalgamation of M/S Triputi Infrastructure Private Limited (Transferor Company) and M/S Milkfood Limited (Transferee Company), E-Voting has been fixed from 6th July'2022 to 8th July'2022 and virtual meeting regarding merger has been called on 9th July'2022.
- (v) The company has not granted any loans or advances in the nature of loans to promoters, directors, KMP and the related parties except as stated in the note 8(iv) either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan/ advance.
- (vi) The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (restriction on number of layers) rules 2017.
- (vii) Company has not applied any accounting policy retrospectively or has made a restatement of items in FS or has reclassified items in the FS.
- (viii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xi) The Company have not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

Note 44. Previous year figures have been reclassified / regrouped wherever necessary to confirm with those of current year figures.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILKFOOD LIMITED

Report on the Audit of the Consolidated Financial Statements

Modified 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, 2022, 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, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Modified Opinion:

Attention is drawn to Note no.3 (v) & 3(vi) regarding re-evaluation of useful economic life and impairment of certain plant and machinery resulting in net credit on account of excess depreciation of Rs.272 lakhs in the financial statements for the year ending 31st March 2022 and overstatement of total comprehensive income, other equity and non-current assets as on 31st March 2022 as per Ind As- 8.

Emphasis of matter:

Attention is drawn to the Note no 6(ii) regarding Trade Receivables, Note no 8(iv) regarding Advance to Suppliers, Note No 12(iii) regarding GST, Note no 16(i) regarding classification of security deposit received, note no. 39 regarding covid -19 pandemic effect.

Our opinion is not qualified in respect of these matters.

Basis for Modified 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 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.

<p>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.</p> <p>At March 31, 2022, the Group's contingent liabilities for legal matters were Rs. 78 Lakhs (refer Note to the consolidated financial statement) and provision for legal matters aggregated Nil. This represent tax of Rs.71 Lakhs levied 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. The remaining Rs 7 lacs represent the claim against the Group that have not been acknowledged as debt.</p>	<p>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.</p> <p>Reading the latest correspondence between the Group and the various tax/legal authorities being the order passed by Appellate Authority-1 Jaipur, CTO Dated 22.12.2021 against which the company has filed a petition before the Rajasthan Tax Board Ajmer 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.</p> <p>Examining the Group's legal expenses and reading the minutes of the board meetings, in order to ensure that all cases have been identified.</p> <p>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.</p> <p>Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures.</p> <p>For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Group's disclosures.</p>
<p>GST Receivable</p> <p>The Group has partially deposited the amount of Rs 1627 Lakhs voluntarily under protest towards GST in respect of verification conducted by the department regarding input tax credit of four dealers. As per information given by the group it has received a show cause notice from Moradabad Range in this regard for Rs.25 Crores and has filed its reply & order is expected shortly after the personal hearing. Further it has been informed that group is legally advised of its success as it has made the payment through banking channels.</p> <p>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.</p> <p>These estimates could change substantially overtime as new facts emerge as each legal case progresses.</p> <p>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.</p>	<p>We have verified the show cause notice received by the group and the challans regarding payment of 1627 Lakhs voluntarily under the protest. We have relied upon the assertions of the management.</p>
<p>Spike in the Cost of Production/ Fall in sale</p> <p>During the year there has been an increase in the cost of raw material which could not be passed on the customers on account of severe competitive conditions.</p>	<p>Additional audit procedures to verify the spike in the cost of production through applying analytical procedures.</p>

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 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 wholly own subsidiary, whose financial statements reflect total assets of Rs. Nil as at March 31, 2022, total revenues of Rs. Nil and net Losses amounting to Rs. NIL 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 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 Group 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 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The group has not declared or paid any dividend during the year and has not proposed final dividend for the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable.

For V. P. Jain & Associates

Chartered Accountants

Firm's registration number: 015260N

Sarthak Madaan

Partner

Membership number: 547131

UDIN: 22547131ALPRQP8574

Place: New Delhi

Date: 30-05-2022

Consolidated Balance Sheet

as at 31st March, 2022

Particulars	Notes	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
A ASSETS			
1 Non-current assets			
Property, plant and equipment	3A	18,245	18,092
Capital work in progress	3B	470	156
Right-of-use-assets	3C	-	66
Biological assets	4	202	239
Financial assets			
- Investments	5	2	2
- Trade receivable	6	66	93
- Other financial assets	7	100	114
- Other non-current assets	8	1,123	1,077
Total non - current assets		20,208	19,839
2 Current assets			
Inventories	9	1,976	3,281
Financial assets			
- Trade receivables	6	5,751	5,327
- Cash and cash equivalents	10	140	92
- Other financial assets	11	26	106
- Other current assets	12	2,260	2,292
Current tax assets (net)	30A/30B	63	11
Total current assets		10,216	11,109
TOTAL ASSETS		30,424	30,948
B EQUITY AND LIABILITIES			
1 Shareholders' funds			
Equity share capital	13	489	489
Other equity	14	11,777	11,413
Total equity		12,266	11,902
2 Non-current liabilities			
Financial liabilities			
- Borrowings	15	1,752	1,577
- Other financial liabilities	16	7,885	7,316
Deferred tax liabilities (net)	31D	877	998
Provisions	17 A	200	174
Total non - current liabilities		10,714	10,065
3 Current liabilities			
Financial liabilities			
- Borrowings	18	5,504	5,710
- Trade payable	19		
Total outstanding dues of micro enterprises and small enterprises		73	17
Total outstanding dues of creditors other than above		1,488	2,781
- Other financial liabilities	20	144	217
Other current liabilities	21	95	84
Provisions	17B	140	172
Total current liabilities		7,444	8,981
TOTAL EQUITY & LIABILITIES		30,424	30,948
Significant accounting policies	2		

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

In terms of our report of even date

For V. P. Jain & Associates

Chartered Accountants

FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan

Partner

Membership No. : 547131

Harmesh Mohan Sood

Director

07951620

Kewal Krishan Kohli

Director

00127337

Gita Bawa

Director

00111003

Place : New Delhi

Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

Particulars	Notes	For the year ended 31 March, 2022 (Rs. in Lakhs)	For the year ended 31 March, 2021 (Rs. in Lakhs)
1 Revenue from operations	22	31,620	36,791
2 Other income	23	315	39
3 Total revenue (1+2)		31,935	36,830
4 Expenses			
(a) Cost of materials consumed	24	24,429	28,317
(b) Changes in inventories of finished goods and work-in-progress	25	1,444	2,468
(c) Employee benefits expenses	26	2,273	2,131
(d) Finance cost	27	732	821
(e) Depreciation and amortisation expenses	28	654	875
(f) Other expenses	29	2,172	1,892
Total expenses		31,704	36,504
5 Profit before tax (3-4)		231	326
6 Tax expense/ (credit) (net)			
(a) Current tax	31C	52	71
(b) Tax adjustment for earlier year		11	2
(c) MAT credit recognition		(60)	(63)
(d) Deferred tax	31D	(121)	72
Total tax expenses / (credit)		(118)	82
7 Profit/(loss) for the period (5-6)		349	244
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	(13)
Tax impact on re-measurement gain/ (losses) on defined benefit plans		(7)	4
Total other comprehensive income/ (losses) for the year (net of tax)		15	(9)
Total comprehensive income for the year		364	235
9 Earnings per share (of Rs 10/- each):			
Basic and diluted - in Rs	32	7.11	4.97
Significant accounting policies	2		

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

In terms of our report of even date

For V. P. Jain & Associates
Chartered Accountants
FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan
Partner
Membership No. : 547131

Harmesh Mohan Sood
Director
07951620

Kewal Krishan Kohli
Director
00127337

Gita Bawa
Director
00111003

Place : New Delhi
Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

	For the year ended 31 March, 2022 (Rs. in Lakhs)	For the year ended 31 March, 2021 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net profit before taxation	231	326
Adjustments for :		
Depreciation and amortisation expense	654	875
Finance costs	732	821
Liabilities no longer required written back	(35)	(29)
Provision for doubtful debts/ bad debts/ balance written off	13	5
Excess Depreciation reversed	(272)	-
Provision for slow / non moving inventory / others	4	7
Loss/ (Gain) on sale of properties, plant & equipment	(2)	(2)
Interest income	(8)	(9)
Operating profit before working capital changes	1317	1994
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	1301	2571
Trade receivables	(404)	(2121)
Other current & non current assets	52	(1577)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1232)	(322)
Other current & non current liabilities	508	874
Provision	(7)	(3)
Cash Generated From Operations	1535	1415
Income tax (paid) /refund (net)	(115)	(82)
Net cash flow from operating activities (A)	1420	1333
B. Cash flow from investing activities:		
Capital expenditure on property, plant and equipments (including CWIP)	(589)	(784)
Decrease in biological assets	37	(9)
Proceeds from sale of properties, plant and equipment	4	30
Interest received	8	9
Net cash flow used in investing activities (B)	(540)	(754)
C. Cash flow from financing activities:		
Repayment of borrowings	(32)	192
Repayment of lease liabilities	(68)	(116)
Finance costs paid	(732)	(821)
Net cash flow used in financing activities (C)	(832)	(745)
Net increase / (decrease) in cash & cash equivalents (A+B+C)	48	(166)
Cash and cash equivalents at the beginning of the year	92	258
Cash and cash equivalents at the end of the year	140	92

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'.

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

In terms of our report of even date

For V. P. Jain & Associates
Chartered Accountants
FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan
Partner
Membership No. : 547131

Harmesh Mohan Sood
Director
07951620

Kewal Krishan Kohli
Director
00127337

Gita Bawa
Director
00111003

Place : New Delhi
Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

Consolidated of changes in equity

for the year ended March 31, 2022

A. Equity share capital:

As at 31st March, 2022

(All amounts in Rs Lakhs, unless otherwise stated)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
489	-	489	-	489

As at 31st March, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
489	-	489	-	489

B. Other Equity

As at 31st March, 2022

Particulars	Reserves and Surplus			
	Notes	Securities Premium	Retained Earnings	Total
Balance at 1st April, 2021	14	670	10,743	11,413
Changes in accounting policy or prior period item		-	-	-
Restated balance at the beginning of the current reporting period		670	10,743	11,413
Profit/(Loss) for the year		-	349	349
Other comprehensive income/(expense) [net of tax]		-	15	15
Total comprehensive income for the year		-	364	364
Balance as at 31st March, 2022		670	11,107	11,777

As at 31st March, 2021

Particulars	Reserves and Surplus			
	Notes	Securities Premium	Retained Earnings	Total
Balance at 1st April, 2020	14	670	10,508	11,178
Changes in accounting policy or prior period item		-	-	-
Restated balance at the beginning of the current reporting period		670	10,508	11,178
Profit/(Loss) for the year		-	244	244
Other comprehensive income/(expense) [net of tax]		-	(9)	(9)
Total comprehensive income for the year		-	235	235
Balance as at 31st March, 2021		670	10,743	11,413

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

In terms of our report of even date

For V. P. Jain & Associates

Chartered Accountants

FRN. 015260N

For and on behalf of the Board of Directors of Milkfood Ltd.

Sarthak Madaan

Partner

Membership No. : 547131

Harmesh Mohan Sood

Director

07951620

Kewal Krishan Kohli

Director

00127337

Gita Bawa

Director

00111003

Place : New Delhi

Date : 30th May, 2022

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Sudhir Avasthi
Managing Director

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 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 30, 2022.
- (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 volatilities.
- 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 35 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 was consistently following the policy of charging depreciation over 20 years till 31.03.2021, notwithstanding certification by the Govt. approved valuer (Chartered Engineer) of the useful life of Plant & Machinery of more than 35 years. However w. e. f FY 2021-22 the company has taken a view on the basis of technical advice that plant in the dairy industry use non-corrosive raw materials, the expected life of the plant and machinery should be 35 years against which the company is providing depreciation on the basis of 20 years of life. 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 35 years (15 years specified in 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 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. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost.

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).
- (e) Carbon Credits are recognized on realization basis.

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/ value added taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of sales/ value added taxes 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

The Company's lease asset classes consist of leases for buildings and Plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. As a lessee, the Company determines the lease term as the non cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the span of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 -

MILKFOOD LIMITED
Notes to financial statements for the year ended March 31, 2022
3A. Property, plant and equipment

(Rs. In Lakhs)

Particulars	Land	Building	Furniture & Fixtures *	Computers & Pheripherals	Vehicles	Plant & Equipment	Total
(I) At cost or deemed cost							
As at 1 April 2020	8131	3294	113	116	1034	7744	20,432
Additions	10	55	12	5	159	549	790
Disposals/ Impaired	-	-	-	-	83	-	83
As at 31 March 2021	8,141	3,349	125	121	1,110	8,293	21,140
Additions	1	185	109	7	234	11	546
Disposals/ Impaired (Refer foot note (vi))	-	-	-	-	129	670	799
As at 31 March 2022	8,142	3,535	234	128	1,215	7,634	20,887
(II) Accumulated depreciation							
As at 1 April 2020	-	490	37	35	429	1,350	2,341
Charge for the year	-	147	11	14	140	450	762
Deductions	-	-	-	-	55	-	55
As at 31 March 2021	-	636	48	50	513	1,799	3,046
Charge for the year	-	148	16	4	179	241	588
Deductions	-	-	-	-	50	244	294
Depreciation Reversed (Refer foot note (vi))	-	-	-	-	-	698	698
As at 31 March 2022	-	783	64	54	642	1,098	2,642
Net block Value (I) - (II)							
As at 31 March 2022	8,142	2,751	170	74	573	6,536	18,245
As at 31 March 2021	8,141	2,713	77	72	597	6,495	18,095

(3B) Capital work in progress:

As at 31 March, 2022	470
As at 31 March, 2021	156

(3B.1) Capital work in progress Ageing schedule

Capital work in progress	Amount in CWIP for a period of				
	<1 yr	1-2 yr	2-3 yrs	>3 yrs	Total
Projects in progress	470	-	-	-	470
Projects temporarily suspended	-	-	-	-	-

(3B.2) There are no projects overdue as on date or has exceeded its cost compared to its original plan.

(3C) Right of use

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Balance as at beginning of the year (In respect of building taken on lease)	66	166
Additions	-	41
Amortisation due to determination of Leases	-	27
Depreciation	66	114
Balance as at end of the year	-	66

Footnotes:

- (i) For details of Property, plant and equipment charged as security of borrowings. Refer Note 15(ii) & Note 18(i).
- (ii) Title deeds of all immovable properties are held in the name of Company.
- (iii) Estimated amount of capital contracts remaining to be executed is Rs. 42 Lakhs (PY Rs. 15 Lakhs).
- (iv) *includes office equipment.
- (v) The company has taken a view on the basis of technical advice that plant in the dairy industry use non-corrosive raw materials, the expected life of the plant and machinery should be 35 years against which the company is providing depreciation on the basis of 20 years of life.
- (vi) The calculation of depreciation for financial year 2016-17 onwards on the basis of 35 years of expected life has resulted into excess depreciation of Rs. 698 Lakhs. The net diminution in the value of certain plant and machinery amounts to Rs. 426 Lakhs. The company has taken the excess depreciation of Rs. 272 Lakhs as Non operating income in the statement of profit and loss account for the year ended 31.03.2022. Thus according to IND AS-8 the reserves and assets of the company are over stated by the said sum.
- (vii) Refer Note 39 for Covid 19 impact.

Note 4 Biological assets

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Trees & Plantation	202	239
Total	202	239

Footnotes:

Trees and plants are considered biological Assets as per Ind AS 41. During the year company has sold timber for a total consideration of Rs 40 Lakhs. Company has obtained the certificate of Agricultural Scientist with regard to fair valuation at the reporting date and has accounted the gain of Rs 3 lakhs on reinstatement.

Note 5. Financial assets - Investment

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
National saving certificates / Deposits	(i)	2	2
Total		2	2

Footnotes:

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

Note 6. Trade receivable

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Unsecured considered good	(i)	5,755	5,420
Significant increase in credit risk		69	28
		5,824	5,448
Less: Allowance for expected credit loss			
Unsecured considered good	(ii)	-	-
Significant increase in credit risk		7	28
		7	28
Net Trade receivables			
Unsecured considered good	(ii)	5,755	5,420
Significant increase in credit risk		62	-
		5,817	5,420
Current		5,751	5,327
Non-current		66	93

Below table represents the trade receivables ageing from date of transaction

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022:						
a) Undisputed trade receivables						
Unsecured considered good	5,751	-	-	4	-	5,755
Significant increase in credit risk (Refer footnote ii)	-	-	69	-	-	69
	5,751	-	69	4	-	5,824
Less: Expected Credit Loss						
Unsecured considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	7	-	-	7
Net Trade Receivables						
Unsecured considered good	5,751	-	-	4	-	5,755
significant increase in credit risk	-	-	62	-	-	62
	5,751	-	62	4	-	5,817
As at 31 March 2021:						
a) Undisputed trade receivables						
Unsecured considered good	5,404	-	16	-	-	5,420
Significant increase in credit risk	-	-	-	28	-	28
	5,404	-	16	28	-	5,448
Less: Expected Credit Loss						
Unsecured considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	28	-	28
Net Trade Receivables						
Unsecured considered good	5,404	-	16	-	-	5,420
significant increase in credit risk	-	-	-	-	-	-
	5,404	-	16	-	-	5,420

Footnotes:

- i) In view of insignificant amount of bad debts and timely recovery in earlier years, allowance for expected credit loss is made on the simplified approach of provisions based in earlier years.

- ii) Represent receivables (under settlement including interest of 26.91 lakhs) from an entity facing an insolvency petition before the NCLT. Management is of the view that the amount will be received. However as a matter of abundant caution 10% of outstanding is provided for. Management is monitoring the situation closely and necessary accounting entry, if required, will be made in the subsequent financial year.
- iii) No trade receivables are due from directors or other officers of the company or any of them 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. Other financial assets

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Security deposits	(i)	91	89
(b) Loans and advances to employees Unsecured, considered good	(ii)	9	25
Total		100	114

Footnotes:

- (i) Includes Rs 73 Lakhs (previous year Rs.71 Lakhs) with Govt departments and are shown at carrying amount. In respect of security deposits with non Govt. departments of Rs 18 Lakhs given to various parties, Rs 17 Lakhs pertains to electricity security deposits recoverable from M/S Ispace Developers Private Limited which the management considers good for recovery.

Note 8. Other non current assets

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Prepaid expenses		8	10
(b) Capital Advances		3	4
(c) Deposit with sales tax and other Authorities	(i)	72	72
(d) MAT credit receivable	(ii)	915	853
(e) Income tax refund of earlier years		17	-
(f) Advance to suppliers / Others	(iii)	107	138
Total		1,123	1,077

Footnotes:

- (i) Deposits with Sales Tax Authorities amounting to Rs. 71 Lakhs represent the amount deposited as a pre-condition for preferring appeal. Appellate Authority-1 Jaipur, CTO vide order Dated 22.12.2021 has determined tax liability of Rs 71 Lakhs against which petition has been filed before the Rajasthan Tax Board Ajmer. Company is of the view that the Appeal would be decided in its favour and hence no provision has been made.
- (ii) MAT credit of Rs. Nil Lakhs (PY Rs.47 Lakhs) pertaining to earlier years has been written off during the year and MAT Credit of Rs 62 lakhs (PY Rs 63 lakhs) has been recognised during the year.
- (iii) Refund of Rs.17 Lakhs for the AY 2017-18 (classified as Other Current assets in the previous year) 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. It is being followed up with IT Department for refund.
- (iv) Includes amount of Rs. 74 Lakhs (P.Y. Rs.114 Lakhs) advance to supplier recoverable from earlier years. The same will be received/adjusted in the financial year 2022-23. The management is of the view that amount is good for recovery and hence no provision is made. The amount of Rs 17 Lakhs (14.91% of total advances) represents expenses incurred on behalf of related party whose property was hypothecated against borrowings in earlier years which was released during the year. The amount is considered good for recovery and will be received along with interest in the subsequent financial year.

Note 9. Inventories

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Work-in-progress	(i)	626	699
(b) Finished goods		742	2,111
(c) Stores and spares		330	288
(d) Packing materials		278	183
Total		1,976	3,281

Footnotes:

- (i) Includes non moving / slow moving stocks of packing material and general stores of Rs 14 Lakhs (P.Y. Rs.18 Lakhs) net of provision of Rs 4 Lakhs (PY Rs. 5 Lakhs). Management is of the view that the same will be utilised / disposed off in the financial year 2022-23. Adjustment if any shall be made in the subsequent year.
- (ii) For details of inventories provided as security for borrowings. Refer Note 18.
- (iii) The mode of valuation of inventories has been described in Note 2.12.

Note 10. Cash and cash equivalents

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Cash on hand	(i)	2	9
(b) Balances with banks Margin accounts		138	83
Total		140	92

Footnotes:

- (i) Towards bank guarantee given to govt. departments/corporations for performance of contractual obligations.

Note 11. Financial Assets - others

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Interest receivable	(i)	5	15
(b) TDS receivable (Others)		7	3
(c) Conversion charges receivable		-	4
(d) Margin Money		-	68
(e) Loan/Imprest to employees (Unsecured, considered good)		13	16
Total		26	106

Footnotes:

- (i) Represent job work executed pending dispatch.
- (ii) Towards bank guarantee given to govt. departments/corporations for performance of contractual obligations.

Note 12. Other current assets

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Prepaid expenses		75	84
(b) Advance to suppliers - unsecured, considered good		243	15
(c) Goods & Service Tax credit receivable	(i)	290	427
(d) Income tax refund of earlier years	(ii)	17	109
(e) Goods & Service Tax deposit	(iii)	1,627	1,627
(f) Earnest money deposit with Govt. Department		8	30
Total		2,260	2,292

Footnotes:

- (i) Represent GST input credit (net).
(ii) Represents Income Tax Refund for the AY 2021-22
(iii) Goods and Service Tax Department has generally verified the transaction of the dealers vis input tax credit. In this regard, they have also carried out the verification of ITC of Four Dealers. The company has been cooperating in the investigation proceedings and has partially deposited a sum of Rs 16.27 Crores as Tax voluntarily deposited under protest. The amount paid to the department under protest is shown as GST recoverable in the financials of the company. Company has received a show cause notice from Moradabad Range in this regard for Rs.25 Crores and has filed its reply & order is expected shortly after the personal hearing. Legally, the company has been advised of its success as the entire payment to the dealers is made through banking channels for purchases which has been duly confirmed by bank.

Note 13. Share capital

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	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:

- (i) 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.
(ii) 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.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2021	
	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%
Jupiter India Fund	315,146	6.45%	315,268	6.45%

Details of shares held by promoters in the Company	As at 31 March, 2022		As at 31 March, 2021	
	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%
M/S Blue Skies Investments P. Ltd	25,250	0.52%	25,250	0.52%
M/S Snowwhite Holding P. Ltd	23,000	0.47%	23,000	0.47%

Note 14. Other equity

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Securities premium	(i)	670	670
(b) Retained earnings	(ii)	11,107	10,745
Total		11,777	11,415

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.
- Includes revaluation reserve of Rs. 5,204 Lakhs (PY Rs. 5,245 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. 246 Lakhs (PY Rs. 205 Lakhs) on revalued figure].
- The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 15. Long-term borrowings

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) <u>From Banks: Secured at amortised cost</u>	(ii)		
Rupee term loan		1,520	1,287
Total (a)		1,520	1,287
(b) <u>From Banks: Unsecured at amortised cost</u>			
Rupee term loan		28	31
Total (b)		28	31
(c) <u>From Others: Secured at amortised cost</u>			
Vehicle loan		127	210
Total (c)		127	210
(d) <u>From Others-Unsecured at amortised cost</u>			
Rupee term loan		77	49
Total (d)		77	49
Grand Total (a+ b+c+d)		1,752	1,577
Less: Unamortised finance cost		1,752	1,577

Footnotes:-

(i) Detail of loans:

	Non Current	Current Maturity	Total
a) <u>From Banks: Secured at amortised cost</u>			
Canara Bank	-	58	58
Date of sanction 20/07/2019, no of installments due 03, ROI Per Annum @ 11.70%, date of maturity 30/06/2022	(58)	(442)	(500)
State Bank of India	-	-	-
Date of sanction 23/07/2015, no of installments due Nil, ROI Per Annum @ 13.35%, date of maturity 30/06/2021	-	(49)	(49)
Canara Bank Term Loan GECL-2.0	219	75	294
Date of sanction 16/02/2021, no of installments due 47 after considering moratorium of principle 12 Months, ROI Per Annum @ 7.50%, date of maturity 23/02/2026.	(300)	-	(300)
Canara Bank Term Loan GECL-2.0 (Extension)	183	-	183
Date of sanction 03/11/2021, no of installments due 48 after considering moratorium of principle 24 Months, ROI Per Annum @ 7.50%, date of maturity 09/09/2027.	-	-	-
State Bank of India Term Loan GECL-2.0	655	231	886
Date of sanction 04/01/2021, no of installments due 46 after considering moratorium of principle of 12 Months, ROI Per Annum @ 7.95%, date of maturity 31/01/2026	(929)	-	(929)
State Bank of India Term Loan GECL-2.0 (Extension)	463	-	463
Date of sanction 24/11/2021, no of installments due 48 after considering moratorium of principle of 24 Months, ROI Per Annum @ 7.95%, date of maturity 30/11/2027	-	-	-

	Non Current	Current Maturity	Total
b) From Banks: Unsecured at amortised cost			
IDFC First Bank Ltd	-	26	26
Date of sanction 25/10/2019, no of installments due 08, ROI Per Annum @ 15.50%, date of maturity 02/11/2022	(26)	(35)	(61)
ICICI Bank Ltd	28	15	43
Date of sanction 02/09/2021, no of installments due 30, ROI Per Annum @ 15%, date of maturity 05/09/2024	-	(23)	(23)
HDFC Bank Ltd	-	-	-
Date of sanction 16/11/2019, no of installments due Nil, ROI Per Annum @ 15.50%, Date of maturity 06/11/2021	-	(18)	(18)
Kotak Mahindra Bank Ltd	-	4	4
Date of sanction 31/03/2019, no of installments due 01, ROI Per Annum @ 15.50%, date of maturity 01/04/2022	(4)	(46)	(50)
c) From Others: Secured at amortised cost			
Vehicle Loan	127	168	296
Kotak Mahindra Prime Ltd (Various Loans), 1st date of sanction 13.03.2019 as per repayment schedule, no of installments due 388, ROI Per Annum @ 9.70%, to 14.50%, last date of maturity 05/03/2025.	(210)	(192)	(402)
d) From Others-Unsecured at amortised cost			
	77	59	136
NBFC - (Two Loans) Date of sanction 3rd May 2019, no.of installments due 37, ROI Per Annum @15.5% to 17%, date of maturity 4th April' 2024.	(49)	(241)	(290)
Total	1,752 (1,577)	637 (1,045)	2,389 (2,622)

(ii) Figures in bracket relates to the previous year.

- (iii) a) Term Loan of Rs 1560 lakhs was secured by exclusive charge on the Fixed Assets to the extent of Rs 3216 Lakhs. The entire loan has been repaid except Rs 58 Lakhs which is outstanding at the reporting date. However, satisfaction of the charge is pending at the end of Bank. The Loan is further secured 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 and Moradabad Plants. Charge on company's brand "Milkfood" is for both WC & TL on 1st pari-passu basis with SBI.
- b) GECL-2.0 and as extended (WCTL) of SBI of Rs 1389 Lakhs & CB of Rs.483 Lakh are secured by way of extension of 2nd charge over the existing primary and collateral securities including mortgages created in favour of the consortium banks on pari passu basis. GECL 2.0 and as extended (WCTL) of Canara Bank are secured by 1st Pari passu Charge on entire Current Assets of the Company including Receivables and collaterally secured by pari pasu charge on equitable mortgage of Factory land and building located at Bahadurgarh, patiala and Moradabad. Refer Note 18(i).
- (iv) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (v) Company has not been declared as wilfull defaulter by any bank or financial institution or any other lender.

Note 16. Financial liabilities - other

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Security deposits	(i)	7,884	7,292
(b) Other payable	(ii)	1	1
(c) Lease Liabilities		-	23
Total		7,885	7,316

Footnotes:

- (i) Company has treated a sum of Rs 7884 lakhs (PY 7292 lakhs) lacs as as per trade practice followed consistently in the past and shown the same as non current liability. Regarding movement in the security deposits during the year the management is of the view that the same is within the group entities of the vendors and overall, there is no significant impact.
- (ii) Payable to ex-employee pending final decision of court.

Note 17. Provisions

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(A) Non current		
(a) Provision for employee benefits:		
Gratuity	177	158
Compensated absences	23	16
Total	200	174
(B) Current		
(a) Provision for employee benefits:		
Gratuity	118	151
Compensated absences	21	22
Total	139	173

Footnotes:

Provision for Gratuity and compensated absences has been made in terms of IND AS-19.(Refer note no. 35).

Note 18. Financial liabilities - short -term borrowings

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
From bank/ others - secured/ unsecured			
a) Cash credit limit	(i)	4,867	4,666
b) Current maturities of long term debts (Refer note 15(ii))		637	1,044
Total		5,504	5,710

Footnotes:

- (i) Cash Credit limit sanctioned by State Bank of India/Canara Bank are secured by charge on pari passu basis on all present & future current assets including stocks and book debts and extension of charge on pari-passu basis on the fixed assets (excluding vehicles) of the company and exclusive charge on the Brand "MILKFOOD". Refer Note 15(ii).
- (ii) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (iii) Company has not been declared as wilfull defaulter by any bank or financial institution or any other lender.

Note 19. Financial liabilities - Trade payable

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises	(i)	73	17
(b) Total outstanding dues of creditors other than above		1,488	2,781
Total		1,561	2,798

Below table represents the trade payables ageing:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022:					
Undisputed trade payables					
Micro enterprises and small enterprises	73	-	-	-	73
Others	1,488	-	-	-	1488
	1,561	-	-	-	1,561
As at 31 March 2021:					
Undisputed trade payables					
Micro enterprises and small enterprises	17	-	-	-	17
Others	2,781	-	-	-	2781
	2,798	-	-	-	2,798

Footnote:

- (i) This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 20. Other financial liabilities - current

Particulars	Footnote	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Public deposits with interest	(i)	2	5
(b) Outstanding expenses including salary & wages etc.	(ii)	132	157
(c) Staff advances		10	10
(d) Lease Liabilities		-	45
Total		144	217

Footnotes:

- (i) Includes Rs. Nil (P.Y. Rs. 1 Lakhs) towards principal amount and Rs.2 Lakhs (P.Y. Rs. 4 Lakhs) towards interest in respect of unclaimed matured deposits.
- (ii) Includes rent payable for earlier years of Rs. 3 Lakhs (P.Y. Rs. 3 Lakhs) pending court case.

Note 21. Other current liabilities

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
(a) Statutory remittances (Contribution to PF & ESI, TDS, GST, etc)	60	57
(b) Advances from Customers	35	27
Total	95	84

Note 22. Revenue from operations

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Sale of products	(i)	30,557	36,079
(b) Other operating revenues	(ii)	1,063	712
Revenue from operations		31,620	36,791

Footnotes:

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(i) Sale of products comprises:		
- Ghee	30,471	35,970
- Milk powder	86	110
Total - Sale of products	30,557	36,079
(ii) Other operating revenues comprises:		
Sale of scrap	5	11
Sale of Carbon Credit (Refer Note No 2.14)	97	2
Misc Balance Written Back	5	-
Insurance Claim and incentive	3	-
Conversion charges of Milk to Powder, butter and ghee	953	699
Total - Other operating revenues	1063	712

Note 23. Other income

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Interest income (Refer Note 6(ii))	(i)	38	9
(b) Liability no longer required		-	23
(c) Gain on cancellation of Lease under Ind AS 116		-	5
(d) Fair value gain on reinstatement of Trees and Plantation (Refer Note 4)		3	-
(e) Profit on sale of assets		2	2
(f) Depreciation reversed (Refer Note 3(v) and (vi))		272	-
Total		315	38

Footnotes:

- (i) Includes Rs 27 Lakhs (PY: NIL) from vendor, Rs 7 lakhs (PY: NIL) on Income tax Refund and Rs 4 Lakhs (PY: 9 Lakhs) on Term Deposits from Banks.

Note 24. Cost of material consumed

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Raw materials	(i)		
Inventories at the beginning of the year		0	32
Add: Purchases		23576	27425
Less: Inventories at the end of the year		0	0
Consumption (a)		23576	27457
(b) Packing materials			
Inventories at the beginning of the year		183	192
Add: Purchases		949	851
Less: Inventories at the end of the year		278	183
Consumption(b)		854	860
Total (a+b)		24429	28317

Footnotes:

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(i) Raw material consumed comprises:		
Milk	48	99
Fat & butter	23,528	27,326
Milk powder	-	32
Total	23,576	27,456

Note 25. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	741	2,111
Work-in-progress	625	699
	1,366	2,810
<u>Inventories at the beginning of the year:</u>		
Finished goods	2,111	4,679
Work-in-progress	699	599
	2,810	5,278
Net (increase) / decrease	1444	2468

Note 26. Employee benefits expenses

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Salaries, wages and other benefits	(i)	2047	1933
(b) Contributions to provident funds / ESI		118	111
(c) Gratuity & compensated absences	(ii)	57	49
(d) Staff welfare expenses		50	38
Total		2273	2131

Footnote:

- (i) Includes bonus of Rs. 30 Lakhs (P.Y. Rs. 32 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 27. Finance costs

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Interest expense		
on Term Loan	192	252
on Cash Credit	444	505
on Lease Liabilities (ROU)	7	15
(b) Other borrowing costs (Bank and other financing charges)	88	49
Total	732	821

Note 28. Depreciation & amortisation expenses

Particulars	For the Year ended 31 March, 2021 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
a) Depreciation of property, plant and equipment (Refer Note no. 2.6(iii) and 3A.)	588	761
b) Amortisation of right-of-use assets (Refer Note 2.23 & 3C)	66	114
Total	654	875

Note 29. Other expenses

Particulars	Footnote	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Consumption of stores and spare parts		57	49
Power and fuel		695	533
Repairs and maintenance:			
- Building		3	6
- Machinery		62	56
Inventory written off		4	-
Freight & forwarding expenses		275	278
Commission		4	11
Selling & distribution expenses		28	21
Advertisement expenses		16	31
Rates and taxes		52	42
Rent		114	58
Auditors remuneration	(i)	13	14
Office maintenance & house keeping		151	158
Legal & professional		208	160
Insurance expenses		91	87
Travelling & hotel expenses		42	42
Vehicle expenses		61	53
Watch & ward expenses		34	37
Postage & telephone expenses		17	18
Provision for doubtful debts		7	-
Contribution for corporate social responsibility (CSR)	(ii)	17	22
Miscellaneous expenses	(iii)	221	215
Total		2172	1892

Footnote:

(i) Auditors remuneration

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
- Audit fee	12	12
- Certification	0	1
- Reimbursement of expenses	1	1
Total	13	14

(ii) Amount required for CSR contributed to PM's National Relief Fund.

(iii) Includes Conveyance expenses Rs 11 Lakhs (PY Rs 8 Lakhs), Telephone Charges Rs 15 Lakhs (PY Rs 16 Lakhs), Sundry expenses of Rs.10 Lakhs (P.Y.13 lakhs), Misc Balances written off Rs 6 Lakhs (PY Rs 5 Lakhs), Water and electricity Rs 87 Lakhs (PY Rs 76 Lakhs), Income Tax Others Rs 42 Lakhs (PY Rs 54 Lakhs), GST Block credit expenses Rs 10 lakhs (PY Rs 6 Lakhs).

Note 30 (A). Current tax liabilities

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Provision for tax	52	72
Total	52	72

Note 30 (B). Current tax assets

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Advance tax / TDS / TCS	115	83
Total	115	83

Note 31 (C) Tax expenses

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (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	52	71
Earlier year tax Expenses	11	2
MAT credit	(60)	(63)
Deferred tax charge / (credit)	(121)	72
Total	(118)	82
(b) Other comprehensive income		
Re-measurement of defined benefit plan	7	(4)
Total	(111)	78

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Reconciliation of tax expense:		
Accounting profit before income tax		
Applicable tax rate	33.38%	33.38%
Computed tax expenses	77	109
Effect of prior period adjustments in deferred tax	(305)	(90)
Effect of prior period adjustments in current tax	11	2
Effect of prior period adjustments in MAT credit	(8)	(8)
Non-deductible expenses for tax purposes		
Other non-deductible expenses u/s 115JB including differential rate of tax	114	69
Income tax expense reported in statement of profit and loss account	(111)	82

Note 31 (D) Deferred tax

Particulars	For the year ended 31 March, 2022			
	As at 01 April, 2021	Recognised in		As at 31 March, 2022
		Profit & Loss	OCI	
Tax effect of items constituting deferred tax liability				
Property, plant and equipment	1,129	230	-	1,359
Others	22	(22)	-	-
(A)	1,152	208	-	1,359
Tax effect of items constituting deferred tax assets				
Carried forward loss / unabsorbed depreciation	0	59	-	59
Provision for gratuity and compensated absences	116	4	(7)	113
Disallowances under section 43B of the Income Tax Act, 1961	6	(1)	-	5
Provision for doubtful debts	9	(9)	-	-
Mat	-	305	-	305
Others	23	(23)	-	-
(B)	154	336	(7)	483
Deferred tax liability (net)	998	(128)	7	877

Particulars	For the year ended 31 March, 2022			
	As at 01 April, 202	Recognised in		As at 31 March, 2021
		Profit & Loss	OCI	
Tax effect of items constituting deferred tax liability				
Property, plant and equipment	1,117	12	-	1,129
Others	56	(34)	-	22
(A)	1,173	(21)	-	1,152
Tax effect of items constituting deferred tax assets				
Carried forward loss / Unabsorbed depreciation	60	(60)	-	-
Provision for gratuity and compensated absences	112	-	4	116
Disallowances under Section 43B of the Income Tax Act, 1961	6	-	-	6
Provision for doubtful debts	9	-	9	-
Others	59	(36)	-	23
(B)	246	(96)	4	154
Deferred tax liability (net)	927	76	(4)	998

Footnote:

- (i) Revaluation impact in Land & Building is not considered for computing deferred tax.

Note 32. Earnings per share

Particulars	For the Year ended 31 March, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Basic and diluted		
Net profit attributable to equity shareholders (Rs. in Lakhs)	349	244
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.)	7.11	4.97

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 (P) Ltd. MFL Trading Pvt Ltd (Wholly owned subsidiary Company)
(b) Key Management Personnel (Managing Director / COO/ CFO/Company Secretary/Directors and their relatives)	Mr Karamjit Jaiswal Ms Roshini Sanah Jaiswal Mr Sudhir Avasthi (Appointed as Managing Director w.e.f 01.07.2021) Mr Deepankar Barat (President) Mr Amarbaljeet Singh (COO) Mr Harmesh Mohan Sood (Resigned as Managing Director w.e.f 30.06.2021 and continued as Non Executive Director w.e.f 01.07.2021) Ms Gita Bawa (Independent Director) Ms Asha Gadi (Independent Director) Mr Anil Girotra (Independent Director) Mr Kewal Krishan Kohli (Independent Director) Ms Preeti Mathur (Director) Mr Sanjeev Kothiala (CFO) Mr Rakesh K Thakur (CS) Mrs Shakun Jaiswal (Relative of KMP)

(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)
i) Electricity expenses paid	11 (8)	- -	11 (8)
ii) Rent (Lease liabilities including interest paid)	-	-	-
i) Jagatjit Industries Ltd	41 (41)	- -	41 (41)
ii) Pashupati Properties Pvt. Ltd (Lease liabilities including interest paid)	12 (12)	- -	12 (12)
iii) Anjani Estate Pvt.Ltd (Lease liabilities including interest paid)	11 (11)	- -	11 (11)

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
iv) Mata Contrtuction & Builders Pvt. Ltd (Lease liabilities including interest paid)	12 (12)	- -	12 (12)
iii) Reimbursement of other expenses incurred by Jagatjit Industries Ltd on behalf of Company	1	-	1
iv) Rent Received / Expenditure recovered from Jagatjit Industries Ltd	- (2)	- -	- (2)
v) Expenditure incurred on behalf of Jagatjit Industries Ltd	2 (1)	- -	2 (1)
vi) Payment made to vendor on behalf of Jagatjit Industries Ltd	17 -	- -	17 -
vii) Advance given to Ispace Developers (Pvt) Ltd	1 -	- -	1 -
viii) Managerial Remuneration (refer note 27(i)b)			
Mr Karamjit Jaiswal	-	151	151
Ms Roshini Sanah Jaiswal	-	172	172
Mr Sudhir Avasthi (CEO till 30.06.2021 and Managing Director w-e-f 01.07.2021).	-	176	176
Mr Deepankar Barat (President)	-	162	162
Mr Amarbaljeet Singh (COO)	-	34	34
Mr Harmesh Mohan Sood [as Managing Director till 30.06.2021 and as professional director w-e-f 01.07.2021] <i>refer footnote (iv)</i>	-	9	9
Mr Sanjeev Kothiala (CFO)	-	27	27
Mr Rakesh K Thakur (CS)	-	12	12
Total Managerial Remuneration	- -	743 (790)	743 (790)
ix) Rent and Security Paid (PY: for part of the year)			
Mr Karamjit Jaiswal	- -	20 (14)	20 (14)
Mrs Shakun Jaiswal	- -	20 (9)	20 (9)
Ms Roshini Sanah Jaiswal	- -	20 (9)	20 (9)
x) Loan taken from Director	- -	- (320)	- (320)
xi) Loan repayment to Director	- -	- (320)	- (320)
xii) Directors sitting fees			
Ms Gita Bawa (Independent Director)	-	0.4	0.4
Ms Asha Gadi (Independent Director)	-	0.3	0.3
Mr Anil Girotra (Independent Director)	-	0.3	0.3
Mr Kewal Krishan Kohli (Independent Director)	-	0.4	0.4

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
Ms. Preeti Mathur (Director)	-	0.4	0.4
Mr H M Sood (Non Executive Director)	-	0.4	0.4
Total Director sitting fees	-	2.2	2.2
	-	(4)	(4)
xiii) Amount receivable/ (Payable) (Jagatjit Industries Ltd)	4	-	4
	(4)	-	(4)
xiv) Advance receivable from Ispace developers (Pvt) Ltd	17	-	17
	(17)	-	(17)
xv) Electricity Security Deposit recoverable from Ispace developers (Pvt) Ltd	17	-	17
	(17)	-	(17)

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) Rent (lease liability including interest) is certified by the the management as per prevelant market rates and for business purposes of the company.
- (iv) Professional charges of Rs 13 Lakhs paid to HM Sood not included above.
- (v) Figures in bracket relates to the previous year.

Note 34. Contingent liabilities

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Claims against the company not acknowledged as debts*		
(a) Sales tax <i>Refer Note no.8(i)</i>	71	71
(b) Penalty under Khaad Suraksha and manak Adhinium 2006	2	2
(c) Others	5	5
Total	78	78

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, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
Employers' contribution to providend fund and family pension fund	113	105

(B) Defined benefit plans

The company operates on one defined benefit plan i.e., gratuity for its employees including Key managerial personnel except Mr Karamjit Jaiswal, Ms Roshini Sanah Jaiswal, Mr. Deepankar Barat, Mr. Amarbaljeet Singh & Mr. H M Sood. 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, 2022 (Rs. in Lakhs)	For the Year ended 31 March, 2021 (Rs. in Lakhs)
(a) Expense recognised in the statement of profit and loss:		
Under profit and loss section		
Current service cost	27	27
Net interest cost	19	18
	46	45
Under other comprehensive income section		
Actuarial (gains)/losses		
Due to experience adjustments	(18)	13
Difference in Present value of obligations	(4)	(1)
	(22)	12
(b) Net liabilities recognised in the balance sheet		
Present value of obligation	295	309
Fair value of plant assets	-	-
Funded status (deficit)	295	309
Net liabilities recognised in the balance sheet accounted for as below:		
Provision non current (refer note 17 A)	177	158
Provision current (refer note 17 B)	118	151
(c) Present value of defined benefit obligation		
Present value of obligation at the beginning of year	309	293
Current cost	27	27
Interest cost	19	18
Remeasurement due to		
Actuarial loss/(gain) arising on account of experience changes	(18)	13
Actuarial loss/(gain) arising from difference in present value of obligations	(4)	(1)
Benefits paid	(38)	(42)
Present value of defined obligation at the end of the year	295	309
(d) The principal assumptions used in determining defined benefit obligations:		
Discount rate	6.73% p.a	6.65% p.a
Salary rise	3.5%p.a to 5% p.a	3.5% p.a to 5%p.a
Attrition rate	5% p.a	5%p.a
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority promotion (as per HR policy) and other relevant factors, such as supply and demand in the employment market.

(e) Sensitivity analysis:

	For the year ended 31 March, 2022	
	1% increase	1% decrease
Discount rate	(10)	11
Salary increase rate	11	(10)
Employee attrition rate	1	(1)

	For the year ended 31 March, 2021	
	1% increase	1% decrease
Discount rate	(9)	10
Salary increase rate	10	(9)
Employee turnover	1	1

The sensitivity analysis 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, Security Deposits Received 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 and security deposits that are out of regular business operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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, 2022		31 March, 2021	
	1% increase	1% decrease	1% increase	1% decrease
	(Rs. in Lakhs)			
Impact on profit before tax	(73)	73	(77)	77

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 Prices of the raw material keep fluctuating frequently and the company passes the same to the customers through appropriate adjustment to selling prices. During the year, company could not pass on to the customers increase in the prices of various raw materials due to their lower paying capacities and severe competitive conditions on account of COVID -19 Pandemic. (Refer note 39)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default 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. In majority of cases of Trade receivables are collected in time. However, the collection period from the trade receivables during the year has extended due to COVID 19 Pandemic. Expected Credit Loss is too low considering the past record and management does not foresee any significant change in the same due to COVID 19 Pandemic.

(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 vendors. 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-22				
Non-current borrowings	-	1,065	687	1,752
Current borrowings*	5,504	-	-	5,504
Trade payables	1,561	-	-	1,561
Other financial liabilities**	144	7,885	-	8,030
Total	7,209	8,950	687	16,846
31-Mar-21				
Non-current borrowings	-	1,045	532	1,577
Current borrowings*	5,710	-	-	5,710
Trade payables	2,798	-	-	2,798
Other financial liabilities**	217	7,316	-	7,533
Total	8,725	8,361	532	17,618

*Current borrowings represent working capital loan (Cash credit) and Current maturities of Long term borrowings

**Includes security deposit & lease liabilities 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

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity. 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 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. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company.

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
Non-current borrowings	1,752	1,577
Current borrowings	5,504	5,710
Less: Cash and cash equivalents	140	92
Net debt	7,116	7,195
Equity share capital	489	489
Other equity	11,777	11,415
Total capital	12,266	11,904
Gearing ratio	58%	60%

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 significant changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Note 38. Fair value

Fair value measurement:

- (i) All the financial assets and financial liabilities of the company are carried at amortised cost.
- (ii) 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.
- (iii) 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.

The outbreak of Covid-19 pandemic has caused significant disturbance and slowdown of economic activities globally. The lockdowns ordered by most of the State Government have resulted in the slowdown of economic activities. This has adversely resulted in the business operations of the Company in terms of sales and production. The Revenue from operations for the year ended 31.03.2022 has fallen by Rs 5171 Lacs, besides this there has been increase in the prices of various raw materials which could not be passed on to the customers due to their lower paying capacities and severe competitive conditions. All these factors resulted in the decline in the Profits of the company in the current year vis a vis last year. The management has considered the effects which resulted from the pandemic and resultant increase in cost of inputs. Based on the current indicators of future economic conditions and company engaged in dairy business (essential services), the management expects to generate sufficient revenue (pre Covid 19 pandemic), recover the receivables and dispose of stocks. The management is closely monitoring the situation regarding any material changes in future economic conditions. Given the uncertainties, the final impact on Company's ability to recover assets in future may differ from that estimated as at the date of approval of these financial results. The Production Capacity of one plant remained under utilized due to less demand of ghee on account of Covid 19 pandemic. Management is of the view that this is the temporary phase and the plant will be substantially utilized for generating revenue when the demand of ghee increases in the subsequent quarters as the pandemic and inflation conditions improve. Considering all these factors no impairment testing has been done on the reporting date.

Note 40. Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are defined in schedule VII of the Companies Act which inter- alia includes contribution to the Prime Minister National Relief Fund, PM Cares 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. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31 March, 2022 (Rs. in Lakhs)	As at 31 March, 2021 (Rs. in Lakhs)
i) Amount required to be spent by the company during the year	17	22
ii) Amount of expenditure incurred	17	22
iii) Shortfall at the end of the year	Nil	Nil
iv) Total of previous years shortfall	Nil	Nil
v) Reason for shortfall	N.A	N.A
vi) Nature of CSR Activities	Contributions to Prime Minister's	

Note 41. Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2022	For the year ended 31 March, 2021	% Change	Reason for variance
a. Current ratio (in times)	Current assets	Current liabilities	1.37	1.24	10.96%	N.A
b. Debt-equity ratio (in times)	Total debt	Equity	0.59	0.61	-3.39%	N.A
c. Debt service coverage ratio (in times)	Earnings available for debt service:= Net Profit after taxes + Non cash operating expenses + Interest -Non Cash Income-Profit on sale of Fixed Assets, etc.	Debt service= Interest and lease payments + Principal repayments	2.29	1.78	28.38%	Due to reduction in current maturities of long term debt on account of repayment.
d. Return on equity (in %)	Net profits after taxes	Average shareholder's	2.88%	2.07%	39.46%	Reversal of depreciation (refer footnote 3(vi)).
e. Inventory turnover Ratio (in times)	Cost of material consumed +Purchase of stock -in -trade	Average inventory	9.29	6.20	49.95%	Reduction in margins because of low paying capacity of consumers.
f. Trade receivables turnover ratio (in times) Refer foot note (i)	Revenue from operations	Average accounts receivable	5.63	8.43	-33.29%	Less sales and lower realisations from debtors on account of Less material sold on credit because of adverse market conditions.
g. Trade payables turnover ratio (in times) Refer foot note (ii)	Net credit purchases	Average trade payables	11.21	9.53	17.60%	N.A
h. Net capital turnover ratio (in times)	Net sales	Working capital	11.40	17.29	-34.05%	Sales have gone down due to adverse market conditions, working capital has increased due to significant decrease in creditors.
i. Net profit ratio (in %)	Net profits after taxes	Net sales	1.10%	0.66%	66.40%	Reversal of depreciation (refer footnote 3(vi)).
j. Return on capital employed (in %)	Earning before interest and taxes	Capital employed	4.19%	5.22%	-19.75%	N.A
k. Return on investment (in %) Refer note no (iii)	Income generated from investments	Time weighted average investments	-	-	-	N.A

Footnote

- Revenue represents sale of Finished products, Job work charges, carbon credit sales, scrap sales. In the absence of availability of figures of Net credit sales, total revenue has been considered as numerator.
- In the absence of availability of figures of Net credit purchases, total purchases have been considered as numerator.
- In view of the fact that the income generated during the year from the Margin money with the Bank (considered as cash and cash equivalent) is immaterial and insignificant amount of investment in the loss making subsidiary company, the ratio is not calculated .

Note 42. Borrowings secured against current assets

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
Q-1	State Bank of India / Canara Bank	Trade Receivable	6,974	5,610	1,364	On account of sales/ Trade receivables reconciliation
	State Bank of India / Canara Bank	Inventory - Raw Material	936	1,435	-499	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Finished Goods	916	1,684	-768	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Stores & Spares	512	514	-2	Rounding off
Q-2	State Bank of India / Canara Bank	Trade Receivable	6,001	6,067	-66	On account of sales/ Trade receivables reconciliation.
	State Bank of India / Canara Bank	Inventory - Raw Material	1,118	780	338	Difference in adopting the rate of valuation
	State Bank of India / Canara Bank	Inventory - Finished Goods	356	919	-563	On account of valuation made at sale price instead of lower of cost or NRV.
	State Bank of India / Canara Bank	Inventory - Stores & Spares	544	543	1	Rounding off
Q-3	State Bank of India / Canara Bank	Trade Receivable	5,741	6,418	-677	On account of sales/ Trade receivables reconciliation.
	State Bank of India / Canara Bank	Inventory - Raw Material	877	1,200	-323	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Finished Goods	766	1,157	-391	On account of difference in adoption of purchase rates on FIFO basis instead on weighted average rates.
	State Bank of India / Canara Bank	Inventory - Stores & Spares	497	492	5	Rounding off
Q-4	State Bank of India / Canara Bank	Trade Receivable	5,824	5,821	3	Rounding off
	State Bank of India / Canara Bank	Inventory - Raw Material	626	626	-	-
	State Bank of India / Canara Bank	Inventory - Finished Goods	742	742	-	-
	State Bank of India / Canara Bank	Inventory - Stores & Spares	604	603	1	Rounding off

Note 43. Relevant Additional Regulatory Information: (Other than disclosed in the respective notes)

- The operating cycle of the company is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets/ liabilities have been classified as current/ non current.
- No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

- (iii) The Company do not have any transactions with companies struck off.
- (iv) Pursuant to the order dated 13th May'2022 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench regarding the scheme of amalgamation of M/S Triputi Infrastructure Private Limited (Transferor Company) and M/S Milkfood Limited (Transferee Company), E-Voting has been fixed from 6th July'2022 to 8th July'2022 and virtual meeting regarding merger has been called on 9th July'2022.
- (v) The company has not granted any loans or advances in the nature of loans to promoters, directors, KMP and the related parties except as stated in the note 8(iv) either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan/ advance.
- (vi) The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (restriction on number of layers) rules 2017.
- (vii) Company has not applied any accounting policy retrospectively or has made a restatement of items in FS or has reclassified items in the FS.
- (viii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xi) The Company have not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

Note 44. Previous year figures have been reclassified / regrouped wherever necessary to confirm with those of current year figures.

This page intentionally left blank

