



## NOTICE

**NOTICE** is hereby given that the Fortieth Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at Bahadurgarh, District Patiala – 147021, (Punjab) on Friday, the 27th September, 2013 at 9.30 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit and Loss Statement for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
- (2) To appoint a Director. Mrs. Asha Gadi, Director, retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
- (3) To appoint Auditors and fix their remuneration. M/s Madan & Associates, Chartered Accountants, the Statutory Auditors, retire and being eligible, offer themselves for re-appointment.

Dated: 30th May, 2013

By Order of the Board

### **Registered Office:**

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

**K.K. Kohli**  
Director

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
2. The Register of Members and the Transfer Books of the Company will remain closed from 26th September, 2013 to 27th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to intimate changes, if any, in their registered addresses to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical share folios to the Registrar and Share Transfer Agent of the Company at Alankit Assignments Ltd., RTA Division, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055, or to the Company at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019.
4. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to intimate to the Company the details, if any, required in relation to this Annual Report at least 10 days before the meeting to enable the management to keep the information ready.

# **MILKFOOD LIMITED**

## **Annual Report**

for the year ended 31st March, 2013



**milkfood**

**BOARD OF DIRECTORS**

ASHA GADI  
AMARJEET KAPOOR  
SURESH ALIPURIA  
KEWAL KRISHAN KOHLI

**AUDITORS**

Madan & Associates  
Chartered Accountants  
New Delhi

**BANKERS**

State Bank of Patiala  
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-110019

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# Directors' Report

## TO THE MEMBERS

The Directors present their Fortieth Report together with Audited Accounts of the Company for the financial year ended 31st March, 2013.

## FINANCIAL RESULTS

	(Rs./Lacs) 2012-13	(Rs./Lacs) 2011-12
Profit/(Loss) after charging all expenses before Depreciation	532.05	642.88
Deduct: Depreciation	426.81	494.90
Profit/(Loss) for the year	105.24	147.98
Current Tax	19.75	28.14
Wealth Tax	1.52	1.70
Deferred Tax	10.02	45.94
Adj for earlier year	0.00	6.69
Profit/(Loss) after Tax before discontinuing operation	73.95	65.51
Profit/(Loss) from discontinuing operation	(6.55)	(7.34)
Transferred to General Reserve	67.40	58.17

## OPERATIONS

During the period under Report, the Company's sales and other income are Rs.33579 lacs and cash profit is Rs.532.05 lacs as compared to last year's figures of Rs.30503 lacs and cash profit of Rs.642.88 lacs respectively. After depreciation, the profit for the year is Rs. 105.24 lacs as compared to the profit of Rs.147.98 lacs in the previous year.

## 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.

## FIXED DEPOSITS

As on 31.03.2013, there were 27 unclaimed fixed deposits with Company amounting to Rs. 8,23,000, out of which 7 fixed deposits amounting to Rs.2,06,000 have been renewed/refunded.

## CONSOLIDATED ACCOUNTS

In accordance with the general circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Annual Accounts of the subsidiary company viz. MFL Trading Private Limited, are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company to any member of the company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the subsidiary company. The Consolidated Financial Statements presented by the Company in this report include the financial results of its subsidiary company.

## PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 form part of this Report. However, as per the provisions of section 219(1)(b)(iv), Report and Accounts are being sent to all the members of the Company excluding the statement of particulars of employees. Any member interested in obtaining a copy of the said statement may write to the Company at the Registered Office of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in sub section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:-

- in the preparation of the annual accounts for the financial year ended 31st March, 2013 the applicable accounting standards have been followed;
- 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 profits of the Company for that year;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a separate Report on Corporate Governance and a Certificate from the Auditors of the Company regarding the compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

#### **INFORMATION UNDER THE LISTING AGREEMENT WITH STOCK EXCHANGE**

The shares of your Company are listed at the BSE Ltd. vide Stock Code: 507621.

The Listing fee for the financial year 2013-14 has been paid.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed.

#### **DIRECTORS**

Mrs. Asha Gadi, Director retire by rotation and, being eligible, offers herself for re-appointment as the Director of the Company. The Board recommends her re-appointment.

Brief resume of the above Director, nature of her expertise in specific functional areas and name of companies in which she holds the Directorship and the Membership/Chairmanship of the Committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are annexed in the Corporate Governance Report.

#### **AUDITORS**

M/s. Madan & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

#### **COST AUDITORS**

M/s. R. J. Goel & Co., Cost Accountants, Delhi have been appointed as Cost Auditors to carry out the audit of the Company's cost records for the financial year ending 31st March, 2014. The reports of M/s R. J. Goel & Co., Cost Accountants, in respect of audit of the cost accounts relating to Milk Food Division for the year ended on 31st March, 2013, will be submitted to the Central Government in due course.

#### **GENERAL**

Your Directors wish to express their appreciation of the co-operation and support given by all employees and the bankers of the Company during the year.

The Notes forming part of the Accounts being self-explanatory, the comments made by the Statutory Auditors in their Report are not being dealt with separately.

For and on behalf of the Board

Place : New Delhi  
Date : 30th May, 2013

Suresh Alipuria  
Director

K.K Kohli  
Director

# Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company firmly believes that Corporate Governance is very much 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, 2013, the Board of Directors of the Company has four Members. None of the Directors are related to each other. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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 is a Director.

During the financial year 2012-13, nine Board meetings were held on 02.04.2012, 14.05.2012, 14.08.2012, 08.11.2012, 14.11.2012, 10.12.2012, 14.02.2013, 21.03.2013 and 30.03.2013

Composition of Board of Directors as on 31st March, 2013 and other details are as under:

Name	Category	No. of Board Meetings attended	Whether previous AGM attended held on 26th Sept., 2012	No. of Directorships held in other companies *	No. of Committee positions held in other public limited companies as a Chairman	No. of Committee positions held in other public limited companies as a Member
Mrs. Asha Gadi	Non -Executive Independent	9	No	1	Nil	Nil
Mr. Suresh Alipuria	Non -Executive Independent	9	Yes	6	Nil	Nil
Mr. Amarjeet Kapoor	Non -Executive	9	No	13	Nil	4
Mr. K.K. Kohli	Non -Executive Independent	9	Yes	14	Nil	4

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

## MANAGEMENT TEAM:

Management Team consists of the following Executives of the Company:

Mr. Sudhir Avasthi, Chief Executive Officer  
 Mr. Amar Baljeet Singh, Head, Patiala Plant  
 Mr. H.M. Sood, Head, Moradabad Plant.

## AUDIT COMMITTEE:

The Audit Committee of the Company comprises of three Non Executive Independent Directors. The terms of reference, role and powers of the Audit Committee are as provided under Clause 49 of the Listing Agreement with the Stock Exchange.

The composition of the Audit Committee as on 31st March, 2013 is as follows:

Name	Designation
Mr. Suresh Alipuria	Chairman
Mr. K. K. Kohli	Member
Mrs. Asha Gadi	Member

Five meetings of the Audit Committee were held during the financial year. Attendance at meetings is as follows:

Date of Meeting	Mr. Suresh Alipuria	Mr. K. K. Kohli	Mrs. Asha Gadi
14.05.2012	Yes	Yes	Yes
14.08.2012	Yes	Yes	Yes
14.11.2012	Yes	Yes	Yes
14.02.2013	Yes	Yes	Yes
08.03.2013	Yes	Yes	Yes

The Audit Committee Meetings were also attended by Mr. Sudhir Avasthi, Chief Executive Officer as a Special Invitee & Mrs. Rishbha Ahluwalia, Asst. Company Secretary since her appointment.

The Chairman of the Audit Committee was present at the last AGM of the Company.

## REMUNERATION COMMITTEE:

The Remuneration Committee consists of three Non Executive Independent Directors. The functioning and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchange.

As on 31st March, 2013, the Remuneration Committee comprises of the following three Directors of the Company:

Name	Designation
Mr. Suresh Alipuria	Chairman
Mr. K. K. Kohli	Member
Mrs. Asha Gadi	Member

During the year under review, no meeting of the Remuneration Committee was held.

#### DETAILS OF REMUNERATION PAID TO DIRECTORS:

The sitting fees paid to the Non Executive Directors of the Company for the financial year ended on 31st March, 2013 is as follows:

Name of Director	Sitting fees
Mrs. Asha Gadi	Rs. 3,500
Mr. Suresh Alipuria	Rs. 3,500
Mr. K. K. Kohli	Rs. 3,500
Mr. Amarjeet Kapoor	Rs. 3,500

#### Details of shareholding of Non-Executive Directors as on 31st March, 2013:

Name of the Director	No. of shares held
Mr. Suresh Alipuria	Nil
Mr. K K. Kohli	Nil
Mrs. Asha Gadi	Nil
Mr. Amarjeet Kapoor	Nil

#### SHARE TRANSFER COMMITTEE:

In view of maintaining complete transparency and to monitor the share registry related work, the Company has constituted a share transfer committee with two Non Executive Independent Directors and CEO as member.

The composition of the Committee as on 31st March, 2013 is as follows:

Name	Designation
Mr. K. K. Kohli	Chairman
Mrs. Asha Gadi	Member
Mr. Sudhir Avasthi	Member

The Committee held twelve meetings during the financial year with all members including Chairman present in the meetings. The meetings were held on 30.04.2012, 31.05.2012, 30.06.2012, 31.07.2012, 31.08.2012, 29.09.2012, 31.10.2012, 30.11.2012, 31.12.2012, 31.01.2013, 28.02.2013 & 30.03.2013.

#### INVESTORS GRIEVANCE COMMITTEE:

The Investors Grievance Committee comprises of three Non Executive Independent Directors. The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the Listing Agreement with the Stock Exchange with particular reference to transfer of shares, complaints of shareholders etc.

The composition of the Committee as on 31st March, 2013 is as follows:

Name	Designation
Mr. Suresh Alipuria	Chairman
Mr. K. K. Kohli	Member
Mrs. Asha Gadi	Member

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

Date of Meeting	Mr. Suresh Alipuria	Mr. K. K. Kohli	Mrs. Asha Gadi
14.08.2012	Yes	Yes	Yes
30.03.2013	Yes	Yes	Yes

Mrs. Rishbha Ahluwalia, Asst. Company Secretary, acts as Secretary to the Committee and also as the Compliance Officer of the Company.

During the year under review no complaint has been received from the members of the Company.

#### ANNUAL GENERAL MEETINGS:

Location and time for the last three AGMs:

Year	Date	Venue	Time	No. of Special Resolutions passed
2010	29.09.2010	Registered Office	9.30 A.M.	Nil
2011	30.09.2011	Registered Office	9.30 A.M.	Nil
2012	26.09.2012	Registered Office	9.30 A.M.	Nil

The Company did not pass any special resolution in the previous three Annual General Meetings. No resolution has been passed through Postal Ballot.

# DISCLOSURE:

During the financial year 2012-13, the Company has entered upon related party transactions which have been disclosed in Note 1(B) (vii) 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.

# 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 compliance with the Code. A declaration to this effect duly signed by Mr. Sudhir Avasthi, Chief Executive Officer of the Company is annexed. The Code of Conduct has been posted on the website of the Company.

# MEANS OF COMMUNICATION:

The quarterly 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 quarterly results are published in a English daily and in a Punjabi daily as required under the Listing Agreement with the Stock Exchange.

Pursuant to SEBI circular no. CIR/CFD/DIL/11/2012 dated Aug 29, 2012 the Company has submitted quarterly & audited annual financial results to the Stock Exchange for the year ended 31st March, 2013 within the time prescribed.

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

# GENERAL SHAREHOLDERS' INFORMATION:

## Annual General Meeting (AGM):

Date & Time	: 27th September, 2013, 9.30 A.M.
Venue	: Registered Office
Book Closure Date	: 26th September, 2013 to 27th September, 2013 (both days inclusive)
Dividend	: Nil

## Financial Calendar for 2013-14 : (Tentative)

Financial Results for

First Quarter	: up to mid August, 2013
Second Quarter	: up to mid November, 2013
Third Quarter	: up to mid February, 2014
Fourth Quarter	: up to end May, 2014

## Market Price Data:

High and Low market price during each month in last financial year from April, 2012 to March, 2013 at Bombay Stock Exchange Limited (BSE) is as follows:

(In Rs.)					
Month	High	Low	Month	High	Low
April, 12	112.00	92.00	October, 12	87.90	74.15
May, 12	113.30	94.30	November, 12	100.50	72.25
June, 12	105.00	90.00	December, 12	101.00	85.50
July, 12	103.95	92.55	January, 13	94.00	77.00
August, 12	99.90	80.00	February, 13	87.95	70.20
September, 12	89.90	79.50	March, 13	77.85	55.00

## Registrar and Share Transfer Agent:

M/s Alankit Assignments Ltd., Alankit House, (RTA Division), 2E/21, Jhandewalan Extn., 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 will continue to be received by the Company at the Head Office at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019.

## Share transfer system:

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

## Distribution of shareholding as on 31st March, 2013:

Shareholding of nominal value of Rs.	No. of shareholders	No. of shares held	%age of total shareholding (Rounded off)
1-5000	4237	556834	11.40
5001-10000	189	139613	2.86
10001-20000	78	108303	2.22
20001-30000	11	27553	0.56
30001-40000	10	36050	0.74
40001-50000	3	14163	0.29
50001-100000	2	17651	0.36
100001 and above	11	3986273	81.58
Total	4541	* 4886440	100.00



**Shareholding pattern as on 31st March, 2013:**

Particulars	No. of shares held	%age of shares held (Rounded off)
Promoters	2448334	50.11
Mutual Funds	2600	00.05
Banks, Financial Institutions & Insurance Companies	500	00.01
FII's	187000	3.83
Corporate Bodies	1393646	28.52
Indian Public	848097	17.36
NRI's/OCBs	6263	00.13
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, 2013, 90.75% equity capital was held in dematerialized form and the balance in physical form.

**Plant Locations:**

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

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

**Address for correspondence:**

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

Tel: 0175-2381404, Fax: 0175-2380248

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

Tel: 011-26460670 , Fax: 011-26460823

Investors' e-mail ID: investor\_grievances\_redressal@milkfoodltd.com, sectl@milkfoodltd.com

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

(Pursuant to Clause 49 of the Listing Agreement)

Mrs. Asha Gadi, Director, retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment. She was appointed as a Director of the Company w.e.f. 7th October, 2002. She is 60 years old.

She is a graduate and has vast experience in the field of marketing.

She is holding the Directorship in Trikuta Enterprises Private Limited.

She is not holding the Chairmanship/Membership of any of the Committees in any other public limited company. She holds Nil shares in the Company.

**Declaration as required under Clause 49 of the Listing Agreement**

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

New Delhi  
30th May, 2013

Sudhir Avasthi  
Chief Executive Officer

## MANAGEMENT DISCUSSION AND ANALYSIS:

### Industry Structure, Outlook and Development

Dairy industry is of crucial importance to India. India continues to be the world's largest producer of milk. But most of milk is consumed domestically and rural market consumes over half of the total milk produced. In the Indian dairy industry, there is highly trained and wide recourse of man power. Purchasing power of consumer has also increased. The dairy industry is recognized as one of the largest and most important in the food industry. This industry has tremendous scope for the growth.

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

The Indian dairy industry is predominantly controlled by the unorganized sector.

Although milk production has grown at a fast pace during the last three decades, still there is lack of availability of milk in the lean season because of the increasing consumption of milk products in domestic market.

Large number of unproductive animals, low genetic potency, poor nutrition and lack of services are the main factors for the low productivity. The lack of proper infrastructure like cold storages and absence of a transparent milk pricing system are affecting retail consumption of milk and leading to escalating milk prices in the domestic market. The lack of fodder, resulting in low yield from cattle, is another problem affecting the sector.

As the world is getting integrated into one market, quality certification is becoming essential in the market.

The private sector can play a vital role in reducing the cost of milk production by employing advanced techniques to enhance productivity, providing breeding facilities for cattle and by developing processing and marketing infrastructure.

The adoption of Good Manufacturing Practices would help produce milk products adapting to the international standards.

### Internal Control System

The Company has structured the internal control system. The Company has paid particular attention on proper maintenance of equipments to ensure that they are operated at the rated capacities. Company has taken the effective steps for the reduction of cost and to improve the quality of the product.

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

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

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

### 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. ghee, skimmed milk powder, whole milk powder, casein, whey powder and dairy whitener. Therefore, segment wise information has not been disclosed.

### Financial Performance

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

### Human Resources

The success of any organization depends on the quality, dedication, devotion, determination, discipline and dynamism of its employees. Company firmly believes that motivated employees are its major asset. The Company maintained a cordial relationship with its personnel during the year. The management places its sincere appreciations for the useful contribution made by its employees during the year.

### 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 : 30th May, 2013

Suresh Alipuria  
Director

K.K Kohli  
Director

## AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To the Members of  
Milkfood Limited

We have reviewed the implementation of Corporate Governance procedures by Milkfood Limited during the year ended March 31, 2013, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

On the basis of our review and according to the information and explanations given to us, the company has generally complied with the conditions laid down in clause 49 of the listing agreement.

For MADAN & ASSOCIATES.  
Chartered Accountants  
Reg. No. 000185N

Place : New Delhi  
Date : 30th May, 2013

M.K. Madan  
Membership No. FCA 82214