

# MILKFOOD LIMITED

Annual Report

for the year ended 31st March, 2015

**milkfood**

**BOARD OF DIRECTORS**

ASHA GADI  
AMARJEET KAPOOR  
ANIL GIROTRA  
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-110 019

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# Directors' Report

## TO THE MEMBERS

The Directors present their 42nd Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2015.

### 1. FINANCIAL RESULTS

	(Rs./Lacs) 2014-15	(Rs./Lacs) 2013-14
Profit/(Loss) after charging all expenses before depreciation	807	896
Deduct: Depreciation	636	584
Profit/(Loss) for the year	171	312
Current Tax	34	55
Deferred Tax	37	102
Profit/(Loss) after tax before discontinuing operation	100	155
Profit/(Loss) from discontinuing operation	0	(37)
Transferred to General Reserve	100	118

### 2. OPERATIONS

During the period under Report, the Company's sales and other income are Rs.37249 lacs and cash profit is Rs.807 lacs as compared to last year's figures of Rs.43325 lacs and cash profit of Rs.896 lacs respectively. After depreciation, the profit for the year is Rs.171 lacs as compared to the profit of Rs. 312 lacs in the previous year.

### 3. DAIRY WHITENER

During the year under review and looking at the emerging markets with a great demand for Dairy Whitener, the Company has launched a new product 'Dairy Whitener'. This has been accepted well in the market which further encouraged the Company to continue to improve its competitiveness through quality checks. In order to have a fair market share, Company is going in for aggressive marketing with a focus on advertisement in print and TV media. The Company has executed good orders of Dairy Whitener with the institutional buyers. Further company is concentrating in the eastern sector of the country which has a good potential for the product.

### 4. 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.

### 5. FIXED DEPOSITS

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

- Accepted during the year - Nil;
- There were 31 unpaid or unclaimed fixed deposits with the Company amounting to Rs. 9.59 Lacs as at the end of the year;
- There has not been any default in repayment of deposits or payment of interest there on during the year.

### 6. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and of its subsidiary duly audited by the statutory auditors are presented in the Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and wherever applicable, Listing Agreement as prescribed by the Securities and Exchange Board of India.

During the year, the Board of Directors (the Board) have 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](http://www.milkfoodltd.com).

## **7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or investments covered under the provisions of Section 186 of the Companies Act, 2013.

The details of the guarantee given by the Company are given in the Notes to the financial statements.

## **8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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

## **9. DIRECTORS**

Mr. K.K. Kohli, Director retires by rotation and, being eligible, offers himself for re-appointment as the Director of the Company. The Board recommends his re-appointment.

Brief resume of the above Director, nature of his expertise in specific functional areas and name of companies in which he 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.

As per the provisions of the Companies Act, 2013 and Listing Agreement, Mr. Anil Girotra and Mrs. Asha Gadi had been appointed as the Independent Directors of the Company and their appointment was confirmed by the members of the Company in their Annual General Meeting held on 27th September, 2014 to hold the office for 5 consecutive years.

Mr. K. K. Kohli and Mr. Amarjeet Kapoor continue to be the Non Executive Directors of the Company.

During the year under review, Mr. Suresh Alipuria, Director, has resigned from the Directorship of the Company w.e.f. 28th June, 2014. The Board places on record its sincere appreciation for the useful services rendered by Mr. Suresh Alipuria during his tenure of services with the Company.

## **10. DECLARATION OF INDEPENDENCE**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

## **11. MEETINGS OF THE BOARD OF DIRECTORS**

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

## **12. COMMITTEES**

As per the provisions of Section 177 and 178 of the Companies Act, 2013 and the Listing Agreement, the Company is having an Audit Committee and a Nomination and Remuneration Committee and stakeholders Relationship Committee. The Composition and details of their meetings are given in the Corporate Governance Report.

## **13. KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of the Companies Act, 2013, Mr. Sudhir Avasthi has been appointed as the Chief Executive Officer of the Company and Mr. Sanjeev Kothiala as the Chief Financial Officer of the Company.

In accordance with Section 203 of the Companies Act, 2013, the Company has appointed Mr. Rakesh Kumar Thakur as the Company Secretary of the Company w.e.f. 01.03.2015.

Mrs. Rishbha Ahluwalia, ceased to be Company Secretary of the Company w.e.f. 02.02.2015.

## **14. DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the financial statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken 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) that the annual financial statements have been prepared on a going concern basis;

- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 15. RELATED PARTY TRANSACTIONS

Ms. Roshini Sanah Jaiswal has been appointed w.e.f. 01.04.2013 as the Executive Director (Operations), incharge of overseas operations and new products of the Company. During the financial year 2013-14, the Company had achieved an all time high turnover of 4800 MT in the export of skimmed milk powder. During the financial year 2014-15, there was a substantial decline in the international prices of skimmed milk powder and the Company therefore logically felt necessary to develop the new product. She made substantial contribution in the development of dairy whitener, design of packing material, listing in prime institutions for supply.

During the current financial year she has been paid a total remuneration of Rs. 10 Lac per month. During the next financial year she will continue to get the same remuneration. Her appointment is for a period 5 years with effect from 01.04.2013. Approval of the shareholders is being sought by the Company.

All related party transactions which were entered into during the financial year were on arm's length basis and in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

All related party transactions have been disclosed in Note 1B (vii) to the Accounts.

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

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.milkfoodltd.com](http://www.milkfoodltd.com).

## 16. AUDITORS

### 16.1 STATUTORY AUDITORS

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

### 16.2 AUDITORS' REPORT

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

### 16.3 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by the Company Secretary in Practice is annexed herewith as "**Annexure 2**".

### 16.4 INTERNAL AUDITORS

In order to strengthen the internal control systems, to minimize the losses and considering the size and nature of business, the Company has appointed an independent firm of Chartered Accountants M/s Lalit Kumar & Co. as the Internal Auditors of the Company to perform the functions of internal audit.

### 16.5 COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, dated 30th June, 2014 notified by the Ministry of Corporate Affairs which exempted certain industries from the purview of Cost Audit, our Company was exempted from the cost audit for the financial year 2014-15.

## 17. REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## 18. RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act, 2013 & Clause 49 of the Listing Agreement, the Company has constituted 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 same.

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

## **19. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and 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 Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit Committee, Nomination and Remuneration as well as Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

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

Performance evaluation of Directors:

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

Performance evaluation of Board and Committees:

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

## **20. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

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

## **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 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 provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company.

## **23. CORPORATE GOVERNANCE REPORT**

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate Report on Corporate Governance and a Certificate from the Practicing Company Secretary, regarding the compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

## **24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange has been presented in a separate section forming part of the Annual Report.

## **25. 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 2015-16 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 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 3”.

## 27. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure 4”.

## 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 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report is being sent to all shareholders and others entitled thereto, excluding the aforesaid information and the said particulars are available for inspection by the members at the Registered Office of the Company during the business hours on working days of the Company. The members interested in obtaining such particulars may write to the Company Secretary.

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

## 29. GREEN INITIATIVES

Electronic copies of the Annual Report 2015 and Notice of the 42nd 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 2015 and the Notice of the AGM are being sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Annual Report 2015 is also available on our website, [www.milkfoodltd.com](http://www.milkfoodltd.com).

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35 of the Listing Agreement. The instructions for e-voting are provided in the Notice.

## 30. PREVENTION OF INSIDER TRADING

Pursuant to new 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 trading in 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.

## 31. VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.milkfoodltd.com](http://www.milkfoodltd.com).

## 32. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has 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 policy adopted by the Company.

## 32. ACKNOWLEDGEMENT

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of 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 : 27th July, 2015

**Amarjeet Kapoor**  
Director  
DIN:00122843

**K.K Kohli**  
Director  
DIN:00127337

**Annexure - 1****Form AOC-1**

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

**Part "A": Subsidiaries**

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

Sl.No.	Particulars	Details
1.	Name of the subsidiary	MFL Trading Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2014 to 31/03/15
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	100000
5	Reserves & Surplus	(71268)
6	Total assets	39132
7	Total Liabilities	39132
8	Investments	-
9	Turnover	-
10	Profit before taxation	(34712)
11	Provision for taxation	-
12	Profit after taxation	(34712)
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**

1	Name of associates/Joint Ventures	Not Applicable		
	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



**MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the financial year ended 31st March, 2015.)**

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

To

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, 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, 2015 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not applicable** as the Company has not issued any securities during the year under audit.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **Not applicable** as the Company has not granted any Options to its employees during the year under audit.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable** as the Company has not issued any debt securities during the year under audit.
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable** as the Company is not registered as a Registrar to an issue and Share Transfer Agent during the year under audit.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable** as the Company has not got delisted its equity shares from the Stock Exchange during the year under audit.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1988 - **Not applicable** as the Company has not bought back any of its securities during the year under audit.
- vi. The Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder.

I also have examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India – **Not applicable** as the Standards were notified but they are applicable w.e.f. 1st July, 2015.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange.

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

**I further report that** the Board of Directors of the Company is duly constituted as per the requirements of Listing Agreement 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 provisions of the Act.

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

All the decisions of the Board meetings and Committee meetings are carried out unanimously as recorded in their respective minute books. There was not dissenting vote on any matter.

**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.

As informed, the Company has duly paid the compounding fees levied by the Company Law Board (CLB) New Delhi for compounding the offences under sections 217, 211 and 209 of the Companies Act, 1956 and the Company has taken the corrective measures, actions wherever necessary.

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

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

Place : Gurgaon  
Date : 25th June, 2015

**(Kamlesh Gupta)**  
Practicing Company Secretary  
Membership No. : A-13862  
CP No.: 10451

## **Annexure-2-A**

To

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

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

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

Place : Gurgaon  
Date : 25th June, 2015

**(Kamlesh Gupta)**  
Practicing Company Secretary  
Membership No. : A-13862  
CP No.: 10451