

MILKFOOD LIMITED

Annual Report

For the year ended 31st March, 2020

The Milkfood logo consists of a dark blue oval with the word "milkfood" written in white, lowercase, sans-serif font.

milkfood

BOARD OF DIRECTORS

GITA BAWA
ASHA GADI
HARMESH MOHAN SOOD
PREETI MATHUR
ANIL GIROTRA
KEWAL KRISHAN KOHLI
LALIT KUMAR

AUDITORS

V.P. Jain & Associates
Chartered Accountants
New Delhi

BANKERS

State Bank of India
Canara Bank

REGISTERED OFFICE

Bahadurgarh
Distt. Patiala-147021
(Punjab)

WORKS

Bahadurgarh
Distt. Patiala-147021
(Punjab)

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

HEAD OFFICE

Bhandari House
91, Nehru Place
New Delhi-110 019

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Directors' Report

TO THE MEMBERS

The Directors present their 47th Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

	Rs./Lakhs 2019-20	Rs./Lakhs 2018-19
Revenue from Operations & Other Income	55,202	53,090
Profit before Finance cost, Depreciation & amortisation and Tax	2528	2808
Less: Finance Cost	840	788
Profit before Depreciation & amortisation and Tax	1688	2020
Less: Depreciation & amortisation Expenses	811	683
Profit /(Loss) before Tax	877	1337
Tax Expenses (credit/ (net)		
- Current Tax	213	295
- Earlier year Tax expenses	7	17
- MAT Credit recognition	(515)	(322)
- Deferred Tax	333	323
Total Tax Expenses / (Credit)	38	313
Profit /Loss for the period	839	1024
Other Comprehensive income	1	(15)
Transferred to General Reserves	840	1009

2. OPERATIONS

During the period under Report, the Company's sales and other income are Rs.55,202/- lakhs and cash profit is Rs.1,688/- lakhs as compared to last year's figures of Rs.53,090/- lakhs and cash profit of Rs.2,020/- lakhs respectively. After depreciation and amortisation, the profit for the year is Rs.877/- lakhs as compared to the previous year profit of Rs. 1,337/- 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 6 unpaid/unclaimed fixed deposits with the Company amounting to Rs.1.50 Lakhs as at the end of the year;
- There has not been any default in repayment of deposits or payment of interest thereon during the year.

5. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in further slow-down in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions and company engaged in dairy business (essential services), the management expects to recover the carrying amount of the assets, however the management will and continue to closely monitor any material changes to future economic conditions.

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

8. DIRECTORS

Mr. Harmesh Mohan Sood, 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, the Board also recommends his appointment as Whole Time Director of the Company.

Mr. Kewal Krishan Kohli and Mr. Anil Girotra were appointed as the Additional Directors of the Company in the category of Non Executive Independent Directors and Mr. Lalit Kumar was appointed as the Additional Director in the category of Non Executive Non Independent Director of the Company in the in the Board meeting held on 13th February, 2020.

Appropriate resolutions seeking your approval for their re-appointment are included in the Notice.

Mrs. Gita Bawa and Mrs. Asha Gadi continue to hold the office as the Independent Directors of the Company and Mrs. Preeti Mathur continues to be Non Executive Non Independent Director of the Company.

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

9. DECLARATION OF INDEPENDENCE

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

10. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

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

11. MEETINGS OF THE BOARD OF DIRECTORS

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

12. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has a policy of conducting familiarization programmes for Independent Directors in order to familiarize them with the Company, their roles, rights, responsibilities in the Company and nature of the industry in which the Company operates etc. The details of such Policy 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. Sudhir Avasthi, Chief Executive Officer
- 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, 2020, 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 Share Capital of the company during the financial year 2019-20.

17. AUDITORS

17.1 STATUTORY AUDITORS

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

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. In view of the same, the matter for ratification of appointment of Statutory Auditors of the Company, has not been included in the notice of the ensuing AGM.

17.2 AUDITORS' REPORT

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

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 Auditors of the Company to carry out the Secretarial Audit of secretarial and related records of the Company for the financial year ended on March 31, 2020.

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

As per the remarks given by the Secretarial Auditors relating to the non compliance of Clause 31(A) of the SEBI LODR, 2015 relating to the reclassification of promoter and promoter group's entities, Directors give their explanations as follows:

Two Promoter Group Companies namely M/s Blue Skies Investments Pvt. Ltd. and M/s. Snowwhite Holdings Pvt. Ltd. intimated the Company through a letter dated 15th September, 2019 that they no longer pertains to the Promoter Group due to the change in their controlling interest. And therefore in the Annual General Meeting of the Company held on 26th September, 2019, these two companies cast their votes on two resolutions in which the promoters were interested.

Later on, the Board, to uphold the high standards of Corporate Governance, decided to withdraw the voting by these two companies on these two resolutions and amended the voting results and Scrutinizer's report accordingly. The amended Scrutinizers' Report dated 24th January, 2020 in respect of these two resolutions was filed at the BSE & SEBI.

A Secretarial Compliance Report for the financial year ended 31st March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Ms. Kamlesh Gupta, Company Secretary, Secretarial Auditors, and submitted to the stock exchange.

17.4 INTERNAL AUDITORS

M/s Lalit Kumar & Co., Chartered Accountants, New Delhi who were appointed as Internal Auditors for the year 2018-19, have shown inability to continue as an internal auditors of the Company. M/s. Pardeep Sharma & Associates, Chartered Accountants, (Registration No. 029181N), Delhi have been appointed as internal auditor of the Company for the financial year 2019-20 to perform the functions of internal audit of the Company.

17.5 COST AUDITORS

On the recommendations of Audit Committee, M/s R. J. Goel & Co., Cost Accountants (Firm Registration No.000026) have been appointed as the Cost Auditors to audit the cost accounts of the Company relating to Milk Powder for the financial years 2020-21.

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 Audit Committee, Nomination and Remuneration Committee as well as the Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

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

Performance evaluation of Directors:

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

Performance evaluation of Board and Committees:

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

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 2020-21 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(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT-9 is enclosed as “**Annexure – 5**” to this annual report and also available on the website of the Company at www.milkfoodltd.com.

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 members and others entitled thereto, excluding the aforesaid information and the said particulars are available for inspection by the members at the Registered Office of the Company during the business hours on all the working days of the Company. The members interested in obtaining such particulars may write to the Company Secretary.

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

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-7**”.

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

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. 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 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 2020 and Notice of the 47th 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 2020 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 2020 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. 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 : 20th July, 2020

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

Sd/-
Asha Gadi
Director
DIN:00110734

Annexure - 1

Form AOC-1

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MFL Trading Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 to 31/03/2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees
4.	Share capital	1,00,000
5.	Reserves & surplus	(1,94,381)
6.	Total Assets	-
7.	Total Liabilities	-
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(25,648)
11.	Provision for taxation	-
12.	Profit after taxation	(25,648)
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, 2020)

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020, 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, 2020 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 and 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, 2014 - **Not applicable** as the Company has not granted any Options to its employees during the year under audit;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable** as the Company has not issued any debt securities during the year under audit;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable** as the Company is not registered as a Registrar to an issue and Share Transfer Agent during the year under audit;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable** as the Company has not got delisted its equity shares from the Stock Exchange during the year under audit;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 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.

For the compliances of Labour Laws & other General 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 compliance with applicable General laws and Labour Laws.

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