



MADAN & ASSOCIATES

CHARTERED ACCOUNTANTS

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Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors
Milkfood Limited
5th Floor, Bhandari House,
91, Nehru Place,
New Delhi-110019

We have audited the quarterly financial results of Milkfood Limited for the quarter ended 31st March, 2014 and the year to date financial results for the period from 1st April, 2013 to 31st March, 2014, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(1)



(2)

(i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard except that EPS of the year end / quarter end has been computed by net off extraordinary and exceptional items. Had the EPS been computed by including exceptional expenses and not exceptional incomes, EPS would have been (12.92) instead of 2.22 at year end 31.03.14; and

(ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2014 as well as the year to date results for the period from 1st April, 2013 to 31st March, 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.



For Madan & Associates
Chartered Accountants

M.K. Madan

Name: M.K. Madan
(Proprietor)
Membership Number
FCA 82214

Place : NEW DELHI
Date : 9th June, 2014

MILKFOOD LIMITED
AUDITED FINANCIAL RESULTS (BOTH STANDALONE AND CONSOLIDATED)
FOR THE YEAR ENDED MARCH 31, 2014

Part-I	Particulars	STANDALONE					CONSOLIDATED	
		Quarter Ended			Year Ended		Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
		1	2	3	4	5	6	7
1	Income from operations	15883	10894	10864	42518	33285	42518	33285
	(a) Net sales (Net of excess duty)	75	151	96	545	221	545	221
	(b) Other operating revenues	15908	11045	10960	43063	33506	43063	33506
	Total income from operations (net)							
2	Expenses	15960	11399	10689	37037	26457	37037	26457
	(a) Cost of materials consumed	-	-	-	-	-	-	-
	(b) Purchases of stock-in-trade	(3257)	(2136)	(2187)	(705)	991	(705)	991
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	565	300	388	1375	1082	1375	1082
	(d) Employee benefits expense	194	150	82	584	427	584	427
	(e) Depreciation and amortisation expense	2105	583	1266	3590	3354	3590	3354
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	15567	10296	10218	41881	32311	41881	32311
	Total expenses							
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	391	749	742	1182	1195	1182	1195
4	Other income	259	2	31	262	73	262	73
6	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	650	751	773	1444	1268	1444	1268
6	Finance costs	326	270	358	1147	1165	1147	1165
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)	324	481	417	297	103	297	103
8	Exceptional items expenses	164	679	(2)	(735)	(2)	(735)	(2)
9	Profit / (Loss) from ordinary activities before tax (7 ± 8)	488	(198)	419	(438)	105	(438)	105
10	Tax expense (including deferred tax of Rs.102 Lac)	157	0	31	157	31	157	31
11	Net Profit / (Loss) from ordinary activities after tax (9 ± 10)	331	(198)	388	(595)	74	(595)	74
12	Extraordinary items (net of tax expense Rs. Nil)	(200)	700	0	750	0	750	0
13	Profit / (Loss) from discontinuing operation	(37)	0	(7)	(37)	(7)	(37)	(7)
14	Net Profit / (Loss) for the period (11 ± 12)	94	502	381	118	67	118	67
15	Share of profit / (loss) of associates	0	0	0	0	0	0	0
16	Minority interest	0	0	0	0	0	0	0
17	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)	94	502	381	118	67	118	67
18	Paid-up Equity Share Capital (Face Value of the Share is Rs.10/-each)	489	489	489	489	489	489	489
19	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	2876	2758	2758	2876	2758	2876	2758
20.i	Earnings per share (before extraordinary/exceptional items) (of Rs. 10/- each) (not annualised):							
	(a) Basic	2.67	9.84	7.75	2.11	1.33	2.11	1.3
	(b) Diluted	2.67	9.84	7.75	2.11	1.33	2.11	1.3
20.ii	Earnings per share (after extraordinary items) (of Rs. 10/- each) (not annualised):							
	(a) Basic	1.93	10.25	7.79	2.42	1.38	2.42	1.3
	(b) Diluted	1.93	10.25	7.79	2.42	1.38	2.42	1.3

MILKFOOD LIMITED

Director

PART - II		Quarter Ended			Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
Particulars						
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding	2438106	2438106	2438106	2438106	2438106
	- Number of shares	49.89	49.89	49.89	49.89	49.89
	- Percentage of shareholding					
2	Promoters and Promoter Group Shareholding					
a)	Pledged / Encumbered					
	- Number of shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL
b)	Non - encumbered					
	- Number of shares	2448334	2448334	2448334	2448334	2448334
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	50.11	50.11	50.11	50.11	50.11

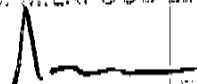
Particulars		3 Months ended 31.03.2014
B	INVESTOR COMPLAINTS	NIL
	Pending at the beginning of the quarter	1
	Received during the quarter	1
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

(Rs. in Lacs)

Statement of Assets and Liabilities		STANDALONE		CONSOLIDATED	
		As at 31.03.2014 (Audited)	As at 31.03.2013 (Audited)	As at 31.03.2014 (Audited)	As at 31.03.2013 (Audited)
Particulars					
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share capital	489	489	489	489
	(b) Reserves and surplus	2,876	2,758	2,876	2,758
	(c) Money received against share warrants	-	-	-	-
	Sub-total - Shareholders' funds	3,365	3,247	3,365	3,247
	2 Share application money pending allotment	-	-	-	-
	3 Minority Interest	-	-	-	-
	4 Non-current liabilities				
	(a) Long-term borrowings	1,846	2,315	1,846	2,315
	(b) Deferred tax liabilities (net)	322	220	322	220
	(c) Other long-term liabilities	4,782	5,040	4,782	5,040
	(d) Long-term provisions	129	-	129	-
	Sub-total - Non-current liabilities	7,079	7,575	7,079	7,575
	5 Current liabilities				
	(a) Short-term borrowings	5,114	4,873	5,114	4,873
	(b) Trade payables	4,095	2,669	4,095	2,669
	(c) Other current liabilities	2,296	2,079	2,296	2,079
	(d) Short-term provisions	61	2	61	2
	Sub-total - Current liabilities	11,566	9,623	11,566	9,623
	TOTAL - EQUITY AND LIABILITIES	22,010	20,445	22,010	20,445
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	10,274	9,364	10,274	9,364
	(b) Goodwill on consolidation	-	-	-	-
	(c) Non-current investments	2	427	1	426
	(d) Deferred tax assets (net)	-	-	-	-
	(e) Long-term loans and advances	412	315	412	315
	(f) Other non-current assets	51	67	51	67
	Sub-total - Non-current assets	10,739	10,173	10,738	10,172
	2 Current assets				
	(a) Current investments	-	-	-	-

FOR MILKFOOD LIMITED

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(b) Inventories	8,141	7,513	8,141	7,513
(c) Trade receivables	772	1,036	772	1,036
(d) Cash and cash equivalents	105	89	106	90
(e) Short-term loans and advances	2,253	1,634	2,253	1,634
(f) Other current assets	-	-	-	-
Sub-total - Current assets	11,271	10,272	11,272	10,273
TOTAL - ASSETS	22,010	20,445	22,010	20,445

NOTES:

1. The above results for the quarter and year ended 31.03.2014 are Audited and reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 09.06.2014.

2. Provision of Rs.173 Lac has been made towards gratuity and leave encashment in terms of AS-15 (Revised).

3. The company has computed depreciation in respect of plant & machinery as per the prescribed rates under schedule XIV of the Company's Act 1956 on straight line method since 01.04.1988 and prior to that as per section 205 and other applicable provisions of the Company's Act 1956. This has resulted in to an excess depreciation of Rs. 252 Lac at Pattala unit and Rs. 48 lac in Gurgaon unit. The excess depreciation charged of Rs.300 lacs as certified by management is shown net of short depreciation charged of Rs.84 Lac in the previous FY 2012-13.

4. During the year company has charged off Rs.225 Lac of carbon credits against Extra ordinary income. It is certified by the management that the balance amount would be realized within a year from the reporting date.

5. Extraordinary income of Rs.15 lacs is net after adjusting from the Income by sale of Brand amounting to Rs.14 crores, the following extraordinary expenses:-a) Amount provided for diminution in the value of Investments Rs.425 lacs, b) Gratuity and leave encashment of earlier years Rs.173 lacs, c) Amount paid for final settlement of claim against Company as per order of Hon'ble Delhi High Court Rs.225 lacs, d) Abnormal consumption of stores, spares and husk amounting to Rs.266 lacs, e) Amount under protest paid against electricity bills to PSEB Rs.50 lacs, g) provision for Carbon Credit of Rs. 225 lacs, h) Loss on sale of assets Rs. 12 lac.

6. The company is operating under a single segment i.e., "Dairy Products - comprising Choc, Milk Powder, Casein & Whey Powder" and therefore there are no reportable segments as per AS-17 "Segment Reporting" issued by the Institute of Chartered Accounts of India.

7. Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 151.87 Lacs as at the end of the year 31st March, 2014.

8. Deferred tax liability for the year ended 31.03.2014 is Rs. 321 lacs (Previous year Rs. 220 Lacs).

9. Previous period figures have been regrouped/ rearranged/recast wherever necessary to make them comparable with those of current period.

10. Figures for the quarter ended 31st March, 2014 are the balancing figures between audited figures in respect of full Financial Year and nine months period ended 31.12.2013.

Place: New Delhi

Date: 09th June, 2014

Law

FOR AMARJEET KAPOOR LIMITED

(Amarjeet Kapoor)
Director