

MILKFOOD LIMITED

5th Floor, 91, Bhandari House, Nehru Place, New Delhi-110 019

Ph.: 26460670-4 / 26463773 Fax : 011-26460823

E-mail: milkfoodltd@milkfoodltd.com, Website : www.milkfoodltd.com

CIN : L15201PB1973PLC003746 GST : 07AAACM5913B1ZY

MFLS
The M
The B
1st Flo

MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Flat No.1003,10th Floor
Kailash Building, K.G. Marg
New Delhi-110001
PH:9818465333
PAN: AAAPM5122B
E-mail: mk_madaan@yahoo.com

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

To

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results along with the notes thereon, of Milkfood Limited, ("the Company") for the quarter and nine months ended December 2022("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared substantially in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of company's personnel responsible for financial and

A review is substantially less in scope than an audit conducted in accordance with Standard on Auditing specified under section 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for Modified Opinion :

Attention is drawn to Note no. 6 regarding excess charge of Rs 126.54 Lakhs in respect of employee stock option scheme. The Company has decided to charge the entire benefit in one year, thus profit upto 31.12.2022 are understated by that amount.

5. Based on our review conducted as stated in paragraph 3 above and read with the notes accompanying the Statement, nothing has come to our attention that causes us to believe that the accompanying Statement prepared substantially in accordance with the aforesaid Indian Accounting Standard ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

- (i) The Closing stock has been certified by the management in terms of quantity and value

6. Emphasis of Matter

We draw attention to note no 7 regarding GST.

Our opinion is not modified in respect of aforesaid matters.

Place: New Delhi
Date: 03.02.2023
UDIN: 23082214BGWUOY4345

for Madan and Associates
Chartered Accountants
Firm's registration number: 000185N

MK. Madan
(proprietor)
Membership number: 082214

MILKFOOD LIMITED

CIN: L15201PB1973PLC003746 & E-mail :milkfoodltd@milkfoodltd.com

Ph.011-26420670-74, Fax: 011-26420823

Regd.Office : P.O.Bahadurgarh -147021, Distt. Patiala(Punjab)

**UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER , 2022**

S.No	Particulars	Quarter Ended			Nine Month ended		Rs. In Lacs
		31.12.2022 (Unaudited)	30.09.2022 (Unaudited)	31.12.2021 (Unaudited)	31.12.2022 (Unaudited)	31.12.2021 (Unaudited)	Year Ended 31.03.2022 (Audited)
		1	2	3	4	5	6
1	Income from operations						
	(a) Revenue from operations	15,040	10,340	9,048	33,395	22,319	31,620
	(b) Other income	37	324	26	369	318	315
	Total Income	15,077	10,664	9,074	33,764	22,637	31,935
2	Expenses						
	(a) Cost of materials consumed	14,428	8,106	7,660	30,265	17,311	24,429
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,036)	551	(169)	(2,239)	1,167	1,444
	(c) Employee benefits expense	813	536	571	1,914	1,640	2,273
	(d) Finance cost	265	208	189	648	561	732
	(e) Depreciation and amortisation expense	168	154	150	471	477	654
	(f) Other expenses	1,053	473	586	1,927	1,307	2,172
	Total expenses	14,691	10,028	8,987	32,986	22,463	31,704
3	Profit before Taxes (1-2)	386	636	87	778	174	231
4	Tax expense						
	a) Current Tax	94	67	17	161	39	52
	b) Adjustment of tax related to ealier period	-	6	-	6	-	11
	c) MAT credit recognition	4	(67)	(17)	(63)	(39)	(60)
	d) Deferred Tax Charges / (credit)	(39)	137	-	38	-	(121)
	Total tax expenses	59	143	-	142	-	(118)
5	Net Profit / (Loss) after tax (3 + 4)	327	493	87	636	174	349
6	Other Comprehensive Income / (Loss)						
	Items that will not be reclassified to profit or (loss)	(7)	(9)	(D	(58)	(4)	15
7	Net Profit / (Loss) for the period (5 + 6)	320	484	86	578	170	364
8	Paid-up Equity Share Capital (Face Value of the Share is Rs.10/- each)	489	489	489	489	489	489
9	Other Equity						11,779
10	Earnings per share						
	(of Rs. 10/- each) (not annualised):						
	(a) Basic	6.69	10.08	1.78	13.02	3.56	7.11
	(b) Diluted	6.37	10.08	1.78	12.40	3.56	7.11

!<(Chaired ,rn
I2 AccciAtants) &
x. VZ */

- 1 The unaudited standalone financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 03, 2023. The statutory auditors have carried out limited review under regulation 33 of the SEBI (Listed Obligations and Disclosure Requirement) Regulation, 2015 and expressed a modified audit opinion on these results.
- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The company is operating under a single segment i.e., "Dairy Products - comprising Ghee, Milk Powder, Casein & Whey Powder" and therefore there are no reportable segments as per IND AS-108 "Operating Segment".
- 4 Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 78 Lacs.
- 5 Period from April to September are summer months and lean period, for the other six months the company is processing milk of milk federations. Therefore no impairment is required as the production policy is consistent with the industry norms.
- 6 Pursuant to the approval of the Board of Directors of the Company in their meeting(s) held on 04.07.2022 and consequent approval of the shareholders of the Company in the 49th Annual General Meeting held on 28.09.2022 the Nomination and Remuneration Committee of the Board of Directors of the Company, has granted options numbering 2,44,000 (Fair value Rs 506 Lakhs) as Stock Incentive Plan on 21.10.2022 to the Eligible Employees of the Company under the "Milkfood Ltd Stock Incentive Plan 2022" complying with the Companies Act read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Regulations) 2021. The vesting period is till 21.10.2023. IND AS 102 'Share Based Payments' stipulates a charge of Rs 126.54 Lakhs for the quarter against which the company has debited the amount of Rs 253.09 Lakhs in employee benefits expense with a corresponding credit to ESOP Reserve during the quarter ended 31.12.2022. Therefore, the profits to that extent are understated by the charge in the profit and loss account. The Company has also decided to debit the balance Rs 253.08 Lakhs in the next quarter ending on 31.03.2023.
- 7 Goods and Service Tax Department has generally verified the transaction of the dealers vis input tax credit. In this regard, they have also carried out the verification of ITC of our Four Dealers. The company has been cooperating in the investigating proceedings and has partially deposited a sum of Rs 16.27 Crores as Tax voluntarily deposited under protest. The amount paid to the department under protest is shown as GST recoverable in the financials of the company. Company has received a show cause notice from Moradabad Range in this regard for Rs.25 Crores and has filed its reply & order is expected after the personal hearing. Legally, the company has been advised of its success as the entire payment to the dealers is made through banking channels for purchases which has been duly confirmed by bank. Company has not received any notice of demand from the department after the reply.
- 8 The Board of Directors (in the meeting held on 19.11.2022) declared an interim dividend of ₹ 2.50/- per equity share. The record date for the payment was 30.11.2022 and Rs 104.08 Lacs (net of TDS) has been paid. The interim dividend declared in the previous year was ₹ NIL per equity share.

	(in Rs.)					
Particulars	Quarter ended December 31 ,2022	Quarter ended September 30 ,2022	Quarter ended December 31 ,2021	Nine months ended December 31 2022	Nine months ended December 31 ,2021	Year ended 31st March,22
Dividend per share (par value Rs. 10/- each)						
Interim dividend	2.50	-	-	2.50	-	-

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

For and on behalf of Board of Directors Milkfood Limited

NEW
DELHI AH

TJindhir Ayasht—'
Managing Director

DIN:00152375,

Date: 03rd February, 2023

MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Flat No.1003,10th Floor
Kailash Building, K.G. Marg
New Delhi-110001
PH:9818465333
PAN: AAAPM5122B
E-mail: mk_madaan@yahoo.com

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL RESULTS**

To

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results along with the notes thereon, of **Milkfood Limited**, ("the Parent") and its subsidiary ("the Parent and its subsidiary together refer to as the Group") for the quarter and nine months ended December 2022("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement which is the responsibility of the Parents Management and approved by the Parents Board of Directors, has been prepared substantially in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Parents personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review

is substantially less in scope than an audit conducted in accordance with Standard on Auditing specified under section 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for Modified Opinion :

Attention is drawn to Note no. 6 regarding excess charge of Rs 126.54 Lakhs in respect of employee stock option scheme. The Company has decided to charge the entire benefit in one year, thus profit upto 31.12.2022 are understated by that amount.

5. Based on our review conducted as stated in paragraph 3 above, matter described in paragraph 5 and read with the notes accompanying the Statement, nothing has come to our attention that causes us to believe that the accompanying Statement prepared substantially in accordance with the aforesaid Indian Accounting Standard ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

- (i) The Closing stock has been certified by the management in terms of quantity and value.

6. Emphasis of Matter

We draw attention to note no 7 regarding GST.

Our opinion is not qualified in respect of aforesaid matters.

7. We did not review the financial results of the only one wholly subsidiary company, namely MFL Trading Pvt Ltd included in consolidated financial results, whose interim financial results reflect total assets of Rs NIL, Total Revenues of Rs NIL, Total Net Loss after tax of Rs NIL and Total Comprehensive Loss of Rs NIL for the quarter and nine months ended 31.12.2022, as considered in the statement. The Interim financial results and other financial information have been reviewed by other Auditors, whose report has been furnished to us by the management.

Our conclusion on the statements, in so far as it relates to the amounts and disclosures included in the respect of this subsidiary is based solely on the report of other auditor.

Place: New Delhi

Date: 03.02.2023

UDIN: 23082214BGWUOZ9636

***for* Madan & Associates**
Chartered Accountants
FRN: 000185N

< (Chartered Un
2 t Accountants) w

MK Madan
(Proprietor)
Membership number: 082214

MILKFOOD LIMITED

Ph.011-26420670-74, Fax: 011-26420823

niilkfood

Read.Office : P.O.Bahaduraarh -147021. Distt. Patialaf Puniab)

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER , 2022

S.No	Particulars	Quarter Ended		Nine Month ended		Rs. In Lacs
		31.12.2022	30.09.2022	31.12.2021	31.12.2021	Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2022
		1	2	3	4	5
1	Income from operations					
	(a) Revenue from operations	15,040	10,340	9,048	33,395	22,319
	(b) Other income	37	324	26	369	318
	Total income	15,077	10,664	9,074	33,764	22,637
2	Expenses					
	(a) Cost of materials consumed	14,428	8,106	7,660	30,265	17,311
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,036)	551	(169)	(2,239)	1,167
	(c) Employee benefits expense	813	536	571	1,914	1,640
	(d) Finance cost	265	208	189	648	561
	(e) Depreciation and amortisation expense	168	154	150	471	477
	(f) Other expenses	1,053	473	586	1,927	1,307
	Total expenses	14,691	10,028	8,987	32,986	22,463
3	Profit before Taxes (1-2)	386	636	87	778	174
4	Tax expense					
	a) Current Tax	94	67	17	161	39
	b) Adjustment of tax related to earlier period	-	6	-	6	-
	c) MAT credit recognition	4	(67)	(17)	(63)	(39)
	d) Deferred Tax Charges / (Credit)	(39)	137	-	38	-
	Total tax expenses	59	143	-	142	-
5	Net Profit / (Loss) after tax (3 + 4)	327	493	87	636	174
6	Other Comprehensive Income / (Loss)					
	Items that will not be reclassified to profit or (loss)	(7)	(9)	(1)	(58)	(4)
7	Net Profit / (Loss) for the period (5 + 6)	320	484	86	578	170
8	Paid-up Equity Share Capital (Face Value of the Share is Rs.10/- each)	489	489	489	489	489
9	Other Equity					
10	Earnings per share (of Rs. 10/- each) (not annualised):					
	(a) Basic	6.69	10.08	1.78	13.02	3.56
	(b) Diluted	6.37	10.08	1.78	12.40	3.56

11,777

- 1 The unaudited consolidated financial results of the group have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 03, 2023. The statutory auditors have carried out limited review under regulation 33 of the SEBI (Listed Obligations and Disclosure Requirement) Regulation, 2015 and expressed a modified audit opinion on these results .
- 2 The financial results of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The group is operating under a single segment i.e., "Dairy Products - comprising Ghee, Milk Powder, Casein & Whey Powder" and therefore there are no reportable segments as per IND AS-108 " Operating Segment
- 4 Contingent Liabilities - Claims against the group not acknowledged as debts - Rs. 78 Lacs.
- 5 Period from April to September are summer months and lean period, for the other six months the group is processing milk of milk federations. Therefore no impairment is required as the production policy is consistent with the industry norms.
- 6 Pursuant to the approval of the Board of Directors of the group in their meeting(s) held on 04.07.2022 and consequent approval of the shareholders of the group in the 49th Annual General Meeting held on 28.09.2022 the Nomination and Remuneration Committee of the Board of Directors of the group, has granted options numbering 2,44,000 (Fair value Rs 506 Lakhs) as Stock Incentive Plan on 21.10.2022 to the Eligible Employees of the group under the "Milkfood Ltd Stock Incentive Plan 2022" complying the Companies Act read with Securities and exchange Board of India (share based employee benefits and sweat equity regulations) 2021. The vesting period is till 21.10.2023. IND AS 102" Share Based Payments" stipulates a charge of Rs 126.54 Lakhs for the quarter against which the group has debited the amount of Rs 253.09 Lakhs in employee benefits expense with a corresponding credit to ESOP Reserve during the quarter ended 31.12.2022. Therefore, the profits to that extent are understated by the charge in the profit and loss account. The group has also decided to debit the balance Rs 253.08 Lakhs in the next quarter ending on 31.03.2023.
- 7 Goods and Service Tax Department has generally verified the transaction of the dealers vis input tax credit. In this regard, they have also carried out the verification of ITC of our Four Dealers. The group has been cooperating in the investigating proceedings and has partially deposited a sum of Rs 16.27 Crores as Tax voluntarily deposited under protest. The amount paid to the department under protest is shown as GST recoverable in the financials of the group, group has received a show cause notice from Moradabad Range in this regard for Rs.25 Crores and has filed its reply & order is expected after the personal hearing. Legally, the group has been advised of its success as the entire payment to the dealers is made through banking channels for purchases which has been duly confirmed by bank, group has not received any notice of demand from the department after the reply.
- 8 The Board of Directors (in the meeting held on 19.11.2022) declared an interim dividend of ? 2.50/- per equity share. The record date for the payment was 30.11.2022 and Rs 104.08 Lacs (net of TDS) has been paid The interim dividend declared in the previous year was ? NIL per equity share.

Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months	Nine months	(in Rs.)
	December 31	September 30	December 31	ended December	ended	Year ended 31st
	,2022	,2022	,2021	31 ,2022	December 31	March,22
					,2021	
Dividend per share (par value Rs. 10/- each)						
Interim dividend	2.50			2.50		