

ARUN SINGH & COMPANY

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

- 1 We have audited the accompanying consolidated financial statements of GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED (herein after referred to as "the Holding Company") and its subsidiary Sri Krishna Fertilizers Limited, which comprises the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

- 2 The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company & its Subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of consolidated financial statements by the Director of the Holding Company, as aforesaid.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's management and Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.



- 5 We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on consolidated financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In case of the Consolidated Balance Sheet, of the state of affairs of the group Company as at 31st March 2016,
- (b) In case of the Consolidated Statement of Profit and loss, of the loss for the year ended on that date and
- (c) In case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the financial statement of subsidiary (Sri Krishna Fertilizers Limited), whose financial statement reflect total assets of Rs.119.04 Lakhs as at March 31 2016, total revenue of Rs.17.11 Lakhs and net cash flows amounting to Rs.10.47 Lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us and our opinion is based solely on the report of the other auditor.

Our opinion on the consolidated financial statement, and our report on Other Legal Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 2013, based on the comment in the auditors' reports of the Holding company & Subsidiary company, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
9. As required by section 143(3) of the Act, we further report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statement;
- (b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014



- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of the subsidiary companies, none of the directors of Holding Company and subsidiary company is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) In respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- (a) The Holding Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note No 24.1 & 24.2 to the financial statement.
 - (b) The Company and its subsidiary do not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - (c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

For **ARUN SINGH & CO.**
Chartered Accountants
Firm Regd. No. 011863N



Suraj Prasad Sharma
Partner (M. No. 096806)
Place: New Delhi
Date: 23.05.2016



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

"Annexure A" to the Consolidated Auditor's Report

CARO 2016 Report on the Consolidated Financial Statement of Goldline Milkfood & Allied Industries Limited for the year ended March 31, 2016

Our reporting on CARO 2016 includes Holding Company **Goldline Milkfood & Allied Industries Limited** & Subsidiary Company **Sri Krishna Fertilizers Limited**. We report that:

- i. (a) The Holding Company and its Subsidiary Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets are physically verified by the management at reasonable intervals, which in our opinion is reasonable having regard to the size of the Holding company and its Subsidiary Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, the title deeds of immovable properties are held in the name of the Holding Company and its Subsidiary Company.
- ii. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the physical verification of inventory has been conducted during the year by the management at reasonable intervals. No material discrepancies were noticed on physical verification of inventory.
- iii. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the Holding Company and its Subsidiary Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the Holding company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of investment of Rs.273.18 lacs made in its wholly owned subsidiary company. However, the subsidiary company has not advanced any loan, given any guarantee, made any investment or provided any security during the year.
- v. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the Holding Company and its Subsidiary Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. According to the explanation and information given to us and other auditor, the Holding Company has maintained proper cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. However, the Subsidiary company is not required to maintain such accounts & records.
- vii. (a) According to the information and explanations given to us and other auditor and based on the records of the Holding Company and its Subsidiary Company examined by us and other auditor, the Holding Company and its Subsidiary Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax Cess and other statutory dues with the appropriate authorities which were outstanding, at the year end, for a



period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and other auditor and based on the records of the Holding Company and its Subsidiary Company examined by us and other auditor, the dues outstanding of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, VAT, Cess and other statutory dues which have not been deposited on account of any disputes are as follows:-

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum to where dispute is pending
Haryana Live Stock Development Board, Jind	Milk cess	38,01,082/-	2001-02 to 2011-12	Supreme Court

- viii. The Holding Company and its Subsidiary Company do not have any loans or borrowings from any financial institution, banks, and government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. According to the information and explanations given to us and other auditor, the Holding Company and its Subsidiary Company did not raised money by way of Initial Public Offer or further Public Offer (including debt instruments) and Term Loans during the year.
- x. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, no fraud by the Holding Company and its Subsidiary Company or on the Holding Company and its Subsidiary Company by its officers or employees has been noticed or reported during the course of audit.
- xi. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. No Managerial Remuneration has been provided to Directors of the Holding Company and its Subsidiary Company during the Financial Year 2015-16.
- xii. In our opinion and according to the information and explanations given to us and other auditor, the Holding Company and its Subsidiary Company is not Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, transactions with the related parties are in compliance with Section 177 & 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by applicable Accounting Standards.
- xiv. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the Holding Company and its Subsidiary Company have not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the companies Act, 2013 during the year under review.



- xv. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the Holding Company and its Subsidiary Company has not entered into any non- cash transactions with Directors or persons connected with him under section 192 of the Companies Act, 2013.
- xvi. According to the information and explanations given to us and other auditor and on the basis of our examination of the records of the Holding Company and its Subsidiary Company, the Holding Company and its Subsidiary Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ARUN SINGH & CO.**
Chartered Accountants
Firm Regd. No. 011863N



Suraj Prasad Sharma
Partner (M. No. 096806)
Place: New Delhi
Date: 23.05.2016



"Annexure B" to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED** (herein after referred to as "the Holding Company") and its subsidiary **Sri Krishna Fertilizers Limited** as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company and its Subsidiary Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

1. The Respective Board of Directors of the Holding Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

2. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
4. We believe that the audit evidence obtained by us and other auditor is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary company's internal financial controls system over financial reporting



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ARUN SINGH & CO.
Chartered Accountants
Firm Regd. No. 011863N



Suraj Prasad Sharma
Partner (M. No. 096806)
Place: New Delhi
Date: 23.05.2016



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

Consolidated Balance Sheet as at 31 March, 2016

(Rupees in Lakhs)

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	69.43	69.43
	(b) Reserves and surplus	2	410.98	511.40
			480.41	580.83
2	Non-current liabilities			
	(a) Long-term borrowings	3	496.93	284.53
	(b) Deferred tax liabilities (Net)		2.05	3.10
	(c) Other Long term liabilities	4	-	0.25
	(d) Long-term provisions	5	20.34	18.24
			519.32	306.12
3	Current liabilities			
	(a) Short-term borrowings	6	133.34	227.86
	(b) Trade payables		62.05	55.34
	(c) Other current liabilities	7	63.81	64.70
	(d) Short-term provisions	8	9.92	34.08
			269.12	381.98
	Total Equity & Liabilities		1,268.85	1,268.93
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	Tangible assets	9	264.72	284.41
	(b) Goodwill on Consolidation	10	409.83	409.82
			674.55	694.23
2	Current assets			
	(a) Inventories	11	1.52	61.64
	(b) Trade receivables	12	18.63	4.20
	(c) Cash and cash equivalents	13	518.22	465.82
	(d) Short-term loans and advances	14	37.27	30.78
	(e) Other current assets	15	18.66	12.26
			594.30	574.70
	Total Assets		1,268.85	1,268.93

As per our report of even date attached.

For ARUN SINGH & CO.

FRN : 011863N

Chartered Accountants

Suraj Prasad Sharma
Membership No.096806
(Partner)

Place : New Delhi

Dated : May 23, 2016



For and on behalf of the Board of Directors

P.S. Gahlaut
(Director)
DIN- 00049401

R. Srinivasan
(Director)
DIN-07285720

GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

Consolidated Statement of Profit & Loss for the year ended 31 March, 2016

(Rupees in Lakhs)

Particulars		Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
I.	Revenue from operations	16	6,413.76	10,319.50
II.	Other income	17	51.31	49.27
III.	Total Revenue (I + II)		6,465.07	10,368.77
IV.	Expenses:			
	Cost of materials consumed, Other Manufacturing Expenses	18	5,994.64	9,565.18
	Purchases of Stock-in-Trade		275.14	546.70
	Changes in inventories of finished goods WIP and Stock-in-Trade	19	11.72	3.39
	Employee benefits expense	20	86.34	84.03
	Finance costs	21	0.16	2.55
	Depreciation and amortization expense	9	32.28	41.01
	Other expenses	22	154.11	59.98
	Total expenses		6,554.39	10,302.84
V.	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(89.32)	65.93
VI.	Exceptional items		-	-
VII.	Profit / (Loss) before extraordinary items and tax (V - VI)		(89.32)	65.93
VIII.	Extraordinary Items		-	-
IX.	Profit / (Loss) before tax (VII- VIII)		(89.32)	65.93
X	Tax expense:			
	(1) Current tax		9.92	34.08
	(2) Deferred tax		(1.05)	(2.63)
	(2) Previous tax		2.23	0.53
XI	Profit / (Loss) after Tax		(100.42)	33.95
XII	Basic / Diluted Earnings per equity share in rupees: (Face value of Rs. 100 each) Notes (1 to 23), form an integral part of the Financial Statements		(144.64)	48.90

As per our report of even date attached.

For ARUN SINGH & CO.

FRN : 011863N

Chartered Accountants



Suraj Prasad Sharma
Membership No.096806
(Partner)

Place : New Delhi
Date: May 23, 2016



For and on behalf of the Board of Directors



P.S. Gahlaut
(Director)
DIN- 00049401



R. Srinivasan
(Director)
DIN-07285720

GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

Consolidated Cash Flow Statement for the year ending 31 March, 2016

(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(89.32)	65.93
Adjustments for:		
Depreciation	32.28	41.01
Interest Expense	-	2.29
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(57.04)	109.23
Adjustment for		
(Increase)/Decrease in Inventories	60.12	12.13
(Increase)/Decrease in Trade Receivable	(14.43)	72.01
(Increase)/Decrease in Short Term Loan & Advances	(6.50)	(7.43)
(Increase)/Decrease in Other Current Assets	(6.40)	0.53
Increase/(Decrease) in Long Term Provision	2.10	4.89
Increase/(Decrease) in Non current Liabilities	(0.25)	-
Increase/(Decrease) in Trade Payable	6.71	(97.64)
Increase/(Decrease) in Other Current liabilities	(0.89)	(5.58)
Increase/(Decrease) in Short Term Provision	(24.16)	5.87
CASH GENERATED FROM OPERATIONS	(40.73)	94.01
Income Tax Paid	(12.15)	(34.61)
NET CASH FROM OPERATING ACTIVITIES (A)	(52.88)	59.40
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12.59)	-
Purchases of Non Current Investment	(0.01)	(273.17)
NET CASH USED IN INVESTING ACTIVITIES-(B)	(12.60)	(273.17)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase /(decrease) of Long term Borrowing	212.40	280.33
Increase /(decrease) of Short term borrowings	(94.52)	7.06
Interest Paid	-	(2.29)
NET CASH FROM FINANCING ACTIVITIES (C)	117.88	285.10
NET INCREASE IN CASH & CASH EQUIVALENTS OF THE YEAR (A+B+C)	52.40	71.33
CASH & CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	465.82	394.49
CASH & CASH EQUIVALENTS AS AT END OF THE YEAR	518.22	465.82

As per our report of even date attached.

For ARUN SINGH & CO.

FRN : 011863N

Chartered Accountants



Suraj Prasad Sharma
Membership No.096806
(Partner)

Place : New Delhi

Dated : May 23, 2016



For and on behalf of the Board of Directors



P.S. Gahlaut
(Director)
DIN- 00049401



R. Srinivasan
(Director)
DIN-07285720

Notes forming part of consolidated financial statements for the year ended March 31, 2016.

Particulars	Amount	Amount
	As at 31.03.2016	As at 31.03.2015
NOTE 1 : SHARE CAPITAL		
a) AUTHORISED CAPITAL		
70,000 Equity Shares of Rs. 100 each	70.00	70.00
b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
69,426 Equity Shares of Rs. 100 each fully paid up	69.43	69.43
Indian Potash Limited having 69420 Shares (99.99%)		
Share outstanding at beginning of the year 69426		
Share outstanding at the end of the year 69426		
	69.43	69.43
NOTE 2 : RESERVE AND SURPLUS		
Revaluation Reserve	80.82	80.82
Profit & Loss Account		
As on 01.04.2015	430.58	
Less: Loss for the year	100.42	430.58
	410.98	511.40
NOTE 3 : LONG TERM BORROWING		
Unsecured		
Advance received from Holding Company		
- Indian Potash Ltd	496.93	280.33
NBIADA Seeds Assistance	-	4.20
	496.93	284.53
NOTE 4 : OTHER LONG TERM LIABILITIES		
Security Deposits Received from Customers	-	0.25
	-	0.25
NOTE 5 : LONG TERM PROVISION		
Provision for Gratuity	16.66	14.88
Provision for Leave Encashment	3.68	3.36
	20.34	18.24
NOTE 6 : SHORT TERM BORROWINGS		
Loans and advances from related parties		
From Ultimate Holding Company	133.34	224.99
Pushpa Sinha	-	2.87
	133.34	227.86
NOTE 7 : OTHER CURRENT LIABILITIES		
Statutory Remittances	40.50	40.91
Other Expenses Payable	23.31	23.79
	63.81	64.70
NOTE 8 : SHORT TERM PROVISION		
Provision for Current Income Tax	9.92	34.08
	9.92	34.08



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE - 9 FIXED ASSETS

(Rupees in Lakhs)

Sl No.	Description of Assets	Gross Block				Depreciation Block			Net Block		
		As at 01.04.2015	Additions	Deletion	As at 31.03.2016	As at 01.04.2015	2015-16	Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
								Dr. / (Cr.)			
	I. Tangible Assets										
1a	Land & Site Development #	92.14	-		92.14	-	-	-	-	92.14	92.14
1b	Leasehold Land	1.84	-		1.84	-	-	-	-	1.84	1.84
2	Factory Building	119.58	-		119.58	82.21	3.47	-	85.68	33.90	37.37
3	Plant, Machinery & Equipments	602.96	6.44	-	609.40	453.89	27.39		481.28	128.12	149.07
4	Electrical Fittings	9.93	5.47	0.07	15.33	8.21	0.65		8.86	6.47	1.72
5	Furniture & Fixture	5.88	-		5.88	5.47	0.06		5.53	0.35	0.41
6	Lab Equipment	4.24	-		4.24	3.41	0.25	-	3.66	0.58	0.83
7	Office Appliances	5.91	-		5.91	4.99	0.14	-	5.13	0.78	0.92
8	Computers	1.43	0.75		2.18	1.32	0.32		1.64	0.54	0.11
	II. Intangible Assets										
		-	-	-	-	-	-	-	-	-	-
	Total	843.91	12.66	0.07	856.50	559.50	32.28	-	591.78	264.72	284.41
	Previous Year	843.93	-	-	843.93	517.17	41.01	1.33	559.51	284.41	326.76

Note:- 1. # Land has been revalued during the year 2000-2001 by Rs. 80.81 lakhs (Original Cost Rs 11.33 lakhs)



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED		
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016		
(Rupees in Lakhs)		
Particulars	As at 31 March 2016	As at 31 March 2016
NOTE 10: Goodwill (on Consolidation)		
Investments in Subsidiary Company	273.18	273.17
Shree Krishna Fertilizers Limited		
Less: Share Capital of Subsidiary Co. 01/04/2014	32.08	32.08
Less: Capital Reserve-Subsidy	6.94	6.94
Add: Pre Acquisition loss of Subsidiary-SKFL.	175.67	175.67
	409.83	409.82
NOTE 11 : INVENTORIES		
a) Raw Materials (SMP- Raw Milk)	-	34.46
b) Finished Goods	-	8.36
c) Work - in - Progress	-	0.31
d) Chemicals, Stores, Spare etc.	0.09	0.38
e) Crates	1.00	1.00
f) Fuel	0.43	1.43
g) Packing Materials	-	12.34
h) Acid	-	0.06
i) Rock Phosphate	-	0.82
j) Consumable Spares & Accessories	-	2.48
	1.52	61.64
NOTE 12 : TRADE RECEIVABLES		
(Unsecured and considered Good)		
Others	14.43	-
Over 6 months	4.20	4.20
	18.63	4.20
NOTE 13 : CASH & CASH EQUIVALENTS		
a) Cash in hand	0.02	0.70
b) Balance with Scheduled Banks		
i) In Current / CC Account	29.44	3.21
ii) In deposit Account	488.76	461.91
	518.22	465.82
NOTE 14 : SHORT TERM LOANS & ADVANCES		
a) Advance Income Tax and TDS	15.95	27.23
b) Prepaid Insurance	1.00	-
c) Balance with Govt. Authorities	2.38	0.06
d) Security Deposit	3.66	3.49
e) Other Trade Advances	14.28	
	37.27	30.78
NOTE 15 : OTHER CURRENT ASSETS		
Prepaid Expenses	0.07	0.63
Deposit with Sales Tax	1.51	1.39
Deposit with UHVBNI	17.08	8.13
Income Tax Refund 2012-13		2.11
	18.66	12.26



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
NOTE 16 : REVENUE FROM OPERATION		
Sale from Poly Pack Milk	6,122.27	9,762.24
Sale from Bulk Milk	277.20	546.70
Sale from Poly Film	3.32	10.56
Conversion charges Receipts	7.42	-
Grinding Charges Receipts	3.55	-
	6,413.76	10,319.50
NOTE 17 : OTHER INCOME		
Interest on BIADA loan written back on OTS	4.20	-
Interest on FDR in schedule Banks	41.04	40.12
Provision no longer required written back	2.37	3.82
Bad Debts recovered	-	2.83
Rent for godown	0.60	0.48
Misc Income	1.18	1.79
Scrap Sale	1.92	0.23
	51.31	49.27
NOTE 18 : COST OF MATERIAL CONSUMED, OTHER MANUFACTURING EXPENSES		
Cost of Material Consumed		
a) Stock on April 1st 2014		
Milk	0.31	2.82
SMP	34.46	21.61
b) Add : Purchases		
Milk	4,818.46	7,770.28
SMP	851.03	1,329.11
b) Less : Closing Stock 31st March 2015		
Milk	-	0.31
SMP	-	34.46
	5,704.26	9,089.05
Manufacturing Expenses		
a) Chemicals & Consumable Consumed	15.27	25.44
b) Crates Consumed	0.88	2.27
c) Packing Materials Consumed	124.15	229.84
d) Power & Fuel	109.76	161.41
e) Processing Expenses	40.32	57.17
	290.38	476.13
	5,994.64	9,565.18
NOTE 19: CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE		
Opening Stock		
Milk (Processed)	8.36	11.75
Ghee	-	-
Acid	0.06	0.06
Rock Phosphate	0.82	0.82
Spares & Accessories	2.48	2.48
Work in Progress	-	-
	11.72	15.11
Closing Stock		
Milk (Processed)	-	8.36
Ghee	-	-
Acid	-	0.06
Rock Phosphate	-	0.82
Spares & Accessories	-	2.48
Work in Progress	-	-
	-	11.72
Changes in Inventories	11.72	3.39



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
NOTE 20 : EMPLOYEE BENEFIT EXPENSES		
a) Wages & Salaries	67.70	59.96
b) Company's contribution to Provident Fund and others	7.52	7.60
c) Gratuity Expenses	1.77	4.20
d) Incentive to Staff	5.28	7.80
e) Leave Encashment Expenses	1.61	1.85
f) Medical Expenses Reimbursement	1.29	1.37
g) Workmen and Staff Welfare expenses	1.17	1.25
	86.34	84.03
NOTE 21 : FINANCE COSTS		
Interest on BIADA Loan	-	2.29
Bank Charges	0.16	0.26
	0.16	2.55
NOTE 22 : OTHER EXPENSES		
a) Production Charges	24.70	-
b) Repair & Maintenance		
i) Factory Building	39.29	0.83
ii) Plant and Machinery	9.44	12.43
iii) Others	14.11	16.01
c) Freight, Transportation etc.	1.14	0.36
d) Cess on Milk	4.87	7.53
e) Insurance	0.41	0.36
f) Travelling & Conveyance	0.90	1.74
g) Communication Expenses	0.68	0.56
h) Legal Fess & Professional Charges	4.54	2.87
i) Fees, Rates & Taxes	5.39	1.86
j) Establishment Expenses	12.64	11.37
k) Directors Sitting Fees	0.17	0.17
l) Auditor Remuneration	2.46	1.57
n) Factory consumable Expenses	14.32	-
m) Lab Consumable Expenses	0.27	-
o) Power and Fuel Expenses	11.95	2.27
p) Mics. Expenses	1.26	0.01
q) Security charges Expenses	5.42	-
r) Land Rent	0.15	0.04
	154.11	59.98



NOTE 23 : Significant Accounting Policies

23.1 Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said financial statements comply with the relevant provisions of the Companies Act, 2013 (the Act) and the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, to the extent applicable to the Company.

23.2 Principles of Consolidation

The consolidated financial statements relate to Goldline Milkfood & Allied Industries Limited ('the Company') and its subsidiary company Shri Krishna Fertilizers Limited. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- (b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- (c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- (d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

23.3 Fixed Assets

Fixed Assets are stated at Historical Cost less Accumulated Depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

23.4 Depreciation

- (a) Depreciation on Fixed Asset is provided on the written down method based on useful life and in the manner specified in Schedules II of the Companies Act 2013.
- (b) Assets are depreciated to the extent of 95% of the original cost.
- (c) Yearly purchase/acquisition of fixed Assets have been taken as component for calculation of rate of depreciation for the remaining useful life of assets in absence of item wise details of assets. The assets acquired in a financial year has been calculated their useful life counting from the date of end of the financial year and on annual basis.



23.5 Revenue Recognition

Sales are recognized, net of return on dispatch of goods to customers. Income from scrap, salvage & waste material is recognized when sold.

23.6 Inventories

Inventories are stated at lower of Cost and Net Realizable Value (NRV) except stores and spares and packing material, which are valued at cost.

Cost is determined on FIFO basis for all categories of inventories. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate manufacturing overhead based on normal level of activity.

23.7 Retirement Benefits

The company's contributions to Provident Fund are considered as Defined Contribution Plan as these fall due and charged to Profit & Loss Account on actual basis. Gratuity benefits are provided for based on actuarial valuations as at Balance Sheet date, made by independent actuaries.

23.8 Current Tax and Deferred Tax

Tax expenses for the period, comprising Current Tax and Deferred Tax is included in determining the Net Profit / (Loss) for the year.

- (a) Provision for Current Income Tax is made as per provisions of Income Tax Act, 1961.
- (b) Deferred Tax is recognized on timing differences representing a difference between taxable income that originates in one period and capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using tax rates and tax laws applicable for the accounting period.
- (c) Deferred Tax assets viz. unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to adjust such losses.

23.9 Provisions, Contingent Liabilities and Contingent Assets

- (a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation.
- (b) Contingent liability is disclosed in case of:
 - (i) A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
 - (ii) A possible obligation, unless the probability of outflow in settlement is remote.
- (c) Contingent Liabilities not provided for in the accounts are separately disclosed in the notes.



23.10 Investments

Long Term (Non Current) Investments are carried at cost. Provision for diminution in the value of such investment is made to recognize a decline, other than temporary.

Note 24 : Notes to the Accounts

24.1 Under the provision of "Haryana Murrah Buffalo and other Milch Animals Breed Act 2001" the company is liable to pay cess on the licensed capacity to Government of Haryana. The matter is subjudice before Hon'ble Supreme Court. The Court has stayed 50% of the demand and has ordered for payment of balance 50% of the tax levy. The Company has however made provision for full liability during the current year amounting to Rs. **4,86,750/-** (Previous Year Rs.7,52,950/-).

24.2 The company has received Demand for payment of Milk Cess of Rs. 38,01,082/- pertaining to the year 2001-02 to 2011-12 and Interest thereon amounting to Rs. 6,77,51,393/- from Haryana Livestock Dev. Board, Jind.

The company has not accounted the interest portion of the demand amounting to Rs. 6,77,51,393/- as per stay order of Hon'ble High Court of Punjab & Haryana. The same will be accounted for as and when case is decided in the court.

24.3 In the opinion of the Board of Directors the current Assets and Loan & Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

24.4 (a) Trade Payable include dues to Micro, Small & Medium enterprises Act 2006: Rs. NIL (previous year - Rs. NIL).
(b) Name of Micro, Small & Medium enterprises to whom the company owes an amount for more than thirty days is NIL (Previous Year- NIL)

24.5 Balances of Trade Receivable and Payable are subject to confirmation, as a result of which its effect on the profit of the company is not quantifiable.

24.6 No employee has received remuneration in aggregate of Rs. 24, 00,000/- per annum or Rs. 2, 00,000/- per month.

24.7 Deferred Tax

Deferred Tax liabilities have been provided according to Accounting Standard-22, including transitional Provisions and same has been reviewed as on 31 March 2016.

24.8 Segment Reporting

As the company's business activity falls within single business segment viz. milk products, the disclosure requirement of Accounting Standard 17- " Segment Reporting" issued by The Institute of Chartered Accountant of India" is not applicable.



24.9 **Related Parties Disclosure:**

List of Related Parties:

S.No.	Name of Related Party	Relationship
1	Indian Potash Limited	Holding Company
2	Sri Krishna Fertilisers Ltd.	Subsidiary Company
3	IPL Sugar & Allied Industries Limited	Enterprises over which Key Managerial Personnel are able to exercise significant influence
4	IPL Gujrat Port Limited	
5	Mr. P.S. Gahlaut(00049401)	Key Managerial Personnel
6	Mr. T Ramachandran (00843475)	
7	Mr. S.S. Sandhwalia(06572978)	
8	Mr.Rajagopalan Srinivasan(07285720)	

24.10. **Transactions with Related Parties**

(Rupees in lakhs)

Particulars	Holding Company		Subsidiary Company	
	2015-16	2014-15	2015-16	2014-15
Purchase of Goods	275.14	546.70	NIL	NIL
Trade Payable	49.44	NIL	NIL	NIL
Advances taken	216.60	280.33	NIL	NIL
Balance of advance	496.93	280.33	NIL	NIL
Remuneration	NIL	NIL	NIL	NIL
Advance Granted	NIL	NIL	236.46	10.65
Balance of Advance	NIL	NIL	247.11	10.65
Investment made	NIL	NIL	0.01	273.17
Balance of Investment	NIL	NIL	273.18	273.17

24.11 **Enterprises consolidated as subsidiary in accordance with Accounting Standard 21- Consolidated Financial Statements**

Name of the Enterprise	Country of Incorporation	Proportion of ownership interest	Date of Investment in Subsidiary
Sri Krishna Fertilizers Ltd.	India	100.00%	01.04.2014



24.12 **Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary**

S. No.	Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)
	Parent				
1.	Gold Line Milkfood & Allied Industries Limited	100.00%	627.72	100.00%	27.81
	Subsidiary				
2.	Sri Krishna Fertilizers Ltd.	(0.00%)	(147.31)	(0.00%)	(117.13)
	Total		480.41		(89.32)

24.13 **Names of Subsidiaries which are yet to commence operations**

S. No.	Name of Subsidiary
1.	Sri Krishna Fertilizers Ltd.

24.14. **Earnings Per Share** (As per Accounting Standard- 20)

Particulars	2015-16	2014-15
Profit/(Loss) after Tax	Rs.(100,42,000)	Rs.33,94,874.73
Weighted average number of equity share of Rs. 100 each	69426	69426
Basis & Diluted Earning (Rs.) per share	Rs. (144.64)	Rs. 48.90

24.15. Previous year figures have been regrouped/rearranged wherever required necessary.

24.16. **Licensed and Installed Capacities**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Licensed Capacity	Installed Capacity *	Licensed Capacity	Installed Capacity *
Milk Processing	NR	1,00,000 Kg per day	NR	1,00,000 Kg per day
Ghee	NR	2500 Kg per day	NR	2500 Kg per day

NR: Not Required.

* As certified by the management but not verified by the auditors being a technical matter.



24.17. Production and Installed Capacities

Particulars	<u>Production/ Purchase</u>		<u>Sale</u>			
	2015-16	2014-15	2015-16		2014-15	
	Qty (Mts)	Qty (Mts)	Qty (Mts)	Rs. In Lacs)	Qty (Mts)	Rs. In Lakhs)
Production						
Milk	13954.87	22067.75	17806.21	61,22.27	27792.91	97,62.23
SMP	358.58	511.00	0	0	0	0
Poly Film	68.45	121.79	2.18	3.32	5.89	10.56
Trading Operation						
Milk	1855.94	3021.32	1855.94	277.19	3021.32	546.70
		Nil	Nil	Nil	Nil	Nil

24.18. Closing Stock of Finished Goods

Particulars	<u>As on 31st March 2016</u>		<u>As at March 31, 2015</u>	
	Mts	Rs. In Lacs	Mts	Rs. In Lacs
Milk	NIL	NIL	27.93	8.35
SMP	NIL	NIL	13.25	34.46

24.19. Value of Raw Materials, Stores, Spares, Fuel and Packing Materials Consumed

Particulars	<u>Raw Material</u>			
	<u>Value (Rs. Lacs)</u>		<u>% of total consumption</u>	
	2015-16	2014-15	2015-16	2014-15
Imported	Nil	Nil	NIL	NIL
Indigenous	6182.11	9635.75	100%	100%

Particulars	<u>Stores, Spare, Fuel and Packing Material</u>			
	<u>Value (Rs. Lacs)</u>		<u>% of total consumption</u>	
	2015-16	2014-15	2015-16	2014-15
Imported	Nil	Nil	NIL	NIL
Indigenous	250.07	418.95	100%	100%

24.20. Value of Imports (CIF Value)

Particulars	2015-16	2014-15
Raw Material	NIL	NIL
Stores Components & Spares Parts	NIL	NIL
Capital Goods	NIL	NIL



24.21. **Expenditure in Foreign Currency**

Particulars	2015-16	2014-15
Expenditure in Foreign Currency	NIL	NIL

24.22. **Earnings in Foreign Currency**

Particulars	2015-16	2014-15
Earnings in Foreign Currency	NIL	NIL

As per our Report attached
For ARUN SINGH & CO.
FRN : 011863N
Chartered Accountants



Suraj Prasad Sharma
Membership No.096806
(Partner)



For and on behalf of the Board of Directors



P.S. Gahlaut
(Director)
DIN- 00049401



R. Srinivasan
(Director)
DIN-07285720

Place: New Delhi
Dated : May 23, 2016