

ARUN SINGH & COMPANY

CHARTERED ACCOUNTANTS

F-7, Lajpat Nagar-III, New Delhi-110024

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INDEPENDENT AUDITOR'S REPORT

To the Members of GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED

Report on the Financial Statements

- 1 We have audited the accompanying standalone financial statements of GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.



Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2016,
 - (b) In case of the Statement of Profit and loss, of the profit for the year ended on that date and
 - (c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
8. 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;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone 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 as on March 31, 2016, and taken on record by the Board of Directors, none of the directors 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note No 23.1 & 23.2 to the financial statement.
 - (b) The Company does 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 Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 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 Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us and on the basis of our examination of the records of the 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 on the basis of our examination of the records of the Company, the 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, the 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.
- v. The 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, the Company has maintained proper cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the 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 based on the records of the company examined by us, 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:-

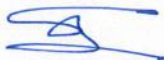
Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum to where dispute is pending
Haryana Live Stock	Milk cess	38,01,082/-	2001-02 to 2011-12	Supreme Court



Development Board, Jind				
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- viii. The Company does not have any loans or borrowings from any financial institution, banks, 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, the 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 on the basis of our examination of the records of the company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the 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.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the 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 on the basis of our examination of the records of the Company, the company has 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 on the basis of our examination of the records of the Company, the 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 on the basis of our examination of the records of the Company, the 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 ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

1. The Company's management is 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Company has, 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 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
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	558.28	541.58
			627.71	611.00
2	Non-current liabilities			
	(a) Long-term borrowings	3	496.93	280.33
	(b) Deferred tax liabilities (Net)		2.05	3.10
	(c) Other Long term liabilities	4	-	0.25
	(d) Long-term provisions	5	20.33	18.24
			519.31	301.92
3	Current liabilities			
	(a) Trade payables		54.79	53.59
	(b) Other current liabilities	6	48.53	57.91
	(c) Short-term provisions	7	9.92	34.08
			113.24	145.58
	Total Equity & Liabilities		1,260.26	1,058.50
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	8	195.36	213.95
	(b) Non-current investments	9	273.18	273.17
			468.54	487.12
2	Current assets			
	(a) Inventories	10	1.52	58.28
	(b) Trade receivables	11	3.47	-
	(d) Cash and cash equivalents	12	505.01	463.09
	(e) Short-term loans and advances	13	263.06	39.86
	(f) Other current assets	14	18.67	10.15
			791.72	571.37
	Total Assets		1,260.26	1,058.50

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
Statement of Profit and 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	15	6,402.79	10,319.50
II.	Other income	16	45.16	49.12
III.	Total Revenue (I + II)		6,447.95	10,368.62
IV.	Expenses:			
	Cost of materials consumed, Other Manufacturing Expenses	17	5,994.64	9,565.17
	Purchases of Stock-in-Trade		275.14	546.70
	Changes in inventories of finished goods, WIP and Stock-in-Trade	18	8.36	3.40
	Employee benefits expense	19	82.60	84.02
	Finance costs	20	0.15	0.26
	Depreciation and amortization expense	8	18.59	26.24
	Other expenses	21	40.66	48.01
	Total expenses		6,420.14	10,273.81
V.	Profit before exceptional and extraordinary items and tax (III-IV)		27.81	94.81
VI.	Exceptional items			
VII.	Profit before extraordinary items and tax (V - VI)		27.81	94.81
VIII.	Extraordinary Items)		-	-
IX.	Profit before tax (VII- VIII)		27.81	94.81
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 after tax (IX-X)		16.71	62.83
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		24.06 24.06	90.49 90.49

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
Cash Flow Statement for the year ended 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 AND EXTRA ORDINARY ITEMS	27.81	94.81
Adjustments for:		
Depreciation	18.59	26.24
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	46.40	121.05
Adjustment for		
(Increase)/Decrease in Inventories	56.76	12.13
(Increase)/Decrease in Trade Receivable	(3.47)	72.01
(Increase)/Decrease in Short Term Loan & Advances	(223.19)	(18.07)
(Increase)/Decrease in Other Current Assets	(8.52)	0.54
Increase/(Decrease) in Long Term Provision	2.09	4.89
Increase/(Decrease) in Non current liabilities	(0.25)	-
Increase/(Decrease) in Short Term Provision	(24.16)	5.87
Increase/(Decrease) in Trade Payable	1.21	(97.64)
Increase/(Decrease) in Current liabilities	(9.38)	(2.14)
CASH GENERATED FROM OPERATIONS BEFORE EXTRA-ORDINARY ITEM	(162.52)	98.65
Income Tax Paid	(12.15)	(34.61)
CASH FLOW FROM EXTRA-ORDINARY ITEM	(12.15)	(34.61)
NET CASH FROM OPERATING ACTIVITIES (A)	(174.67)	64.04
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Investment	(0.01)	(273.17)
NET CASH USED IN INVESTING ACTIVITIES-(B)	(0.01)	(273.17)
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured loans and advance	216.60	280.33
NET CASH FROM FINANCING ACTIVITIES (C)	216.60	280.33
NET INCREASE IN CASH & CASH EQUIVALENTS OF THE YEAR (A+B+C)	41.92	71.20
CASH & CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	463.09	391.89
CASH & CASH EQUIVALENTS AS AT END OF THE YEAR	505.01	463.09

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
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MRCH 31,2016

(Rupees in Lakhs)

Particulars	As at 31 March, 2016	As at 31 March 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		
a) Revaluation Reserve	80.82	80.82
b) Profit & Loss Account		
Opening Balance	460.76	
Add: Profit for the Year	16.71	
	477.46	460.76
	558.28	541.58
NOTE 3 : LONG TERM BORROWING		
Unsecured		
Advance received from Holding Company		
- Indian Potash Ltd	496.93	280.33
	496.93	280.33
NOTE 4 : OTHER LONG TERM LIABILITIES		
Security Deposits	-	0.25
	-	0.25
NOTE 5 : LONG TERM PROVISION		
Provision for Gratuity	16.66	14.89
Provision for Leave Encashment	3.68	3.36
	20.33	18.24
NOTE 6 : OTHER CURRENT LIABILITIES		
Statutory Remittances	39.73	40.91
Other Expenses Payable	8.79	16.99
	48.53	57.91
NOTE 7 : SHORT TERM PROVISION		
Provision for Income Tax	9.92	34.08
	9.92	34.08



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED											
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MRCH 31,2016											
NOTE -8 FIXED ASSETS											
Sl No.	Description of Assets	Gross Block			Depreciation Block			Net Block		(Rupees in Lakhs)	
		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
I. Tangible Assets											
1	Land & Site Development #	92.14			92.14	-	-	-	92.14		92.14
2	Factory Building	88.98	-		88.98	57.84	2.66	-	60.50	28.48	31.14
3	Plant, Machinery & Equipment ##	414.24	-	-	414.24	326.07	15.44	-	341.51	72.74	88.18
4	Fixture & Fittings	5.81			5.81	5.50	0.01	-	5.51	0.30	0.31
5	Furniture & Fixture	5.01	-		5.01	4.61	0.06	-	4.66	0.35	0.41
6	Lab Equipment	3.21	-		3.21	2.45	0.24	-	2.69	0.51	0.75
7	Office Appliances	5.91	-		5.91	4.99	0.14	-	5.14	0.78	0.92
8	Computer & Appliances	0.75	-		0.75	0.65	0.04	-	0.69	0.07	0.11
	II. Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total	616.06	-	-	616.06	402.11	18.59	-	420.70	195.36	213.95
	Previous Year	616.08	-	-	616.08	375.86	26.24	0.03	402.13	213.95	240.22
Note:- # 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 FINANCIAL STATEMENT FOR THE YEAR ENDED MRCH 31,2016

(Rupees in Lakhs)

Particulars	As at 31 March, 2016	As at 31 March 2015
NOTE 9 : NON CURRENT INVESTMENTS		
Investment in Equity instruments of Subsidiary (Unquoted) Shri Krishna Fertilizers Ltd 320,800 Equity Shares of Rs. 10/- each, fully paid up (Previous Year 320,800 Equity Shares of Rs. 10/- each)	273.18	273.17
	273.18	273.17
NOTE 10 : 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	0.37
e) Crates	1.00	1.00
f) Fuel	0.43	1.43
g) Packing Materials	-	12.34
	1.52	58.28
NOTE 11 : TRADE RECEIVABLES		
(Unsecured and considered Good)		
Others	3.47	-
Over 6 months	-	-
	3.47	-
NOTE 12 : CASH & CASH EQUIVALENTS		
a) Cash in hand	0.01	0.35
b) Balance with Scheduled Banks		
i) In Current / CC Account	18.43	3.01
ii) In Deposit Account	486.57	459.73
	505.01	463.09
NOTE 13 : SHORT TERM LOANS & ADVANCES		
a) Advances to wholly owned subsidiary		
Unsecured, Considered Goods		
M/s. Shri Krishna Fertilizers Ltd	247.11	10.65
b) Advance Income Tax and Income Tax Deducted at Source	15.95	29.21
	263.06	39.86
NOTE 14 : OTHER CURRENT ASSETS		
Prepaid Expenses	0.07	0.63
Deposit with Sales Tax	1.51	1.39
Deposit Others	17.08	8.13
	18.67	10.15



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MRCH 31,2016

(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
NOTE 15 : 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
	6,402.79	10,319.50
NOTE 16 : OTHER INCOME		
Interest on Deposits	41.03	39.96
Provision no longer required written back	2.37	3.82
Bad Debts recovered	-	2.83
Rent for godown	0.60	0.48
Misc Income	1.16	1.79
Scrap Sale	-	0.23
	45.16	49.12
NOTE 17 : COST OF MATERIAL CONSUMED, OTHER MANUFACTURING EXPENSES		
Cost of Material Consumed		
a) Stock on April 1st 2015		
Milk	0.31	2.82
SMP	34.46	21.61
b) Add : Purchases		
Milk	4,818.45	7,770.28
SMP	851.03	1,329.11
b) Less : Closing Stock 31st March 2016		
Milk	-	0.31
SMP	-	34.46
	5,704.25	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	40.31	57.18
	290.38	476.13
	5,994.64	9,565.17
NOTE 18 : CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE		
Opening Stock		
Milk (Processed)	8.36	11.75
Ghee		
Work in Progress		
	8.36	11.75
Closing Stock		
Milk (Processed)	-	8.36
Ghee		
Work in Progress		
	-	8.36
Changes in Inventories	8.36	3.40



GOLDLINE MILKFOOD & ALLIED INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MRCH 31,2016

(Rupees in Lakhs)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
NOTE 19 : EMPLOYEE BENEFIT EXPENSES		
a) Wages & Salaries	64.18	59.96
b) Company's contribution to Provident Fund and Other Funds	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	0.95	1.25
	82.60	84.02
NOTE 20 : FINANCE COSTS		
Bank Charges	0.15	0.26
	0.15	0.26
NOTE 21 : OTHER EXPENSES		
a) Repairs & Maintenance		
i) Factory Building	0.24	0.83
ii) Plant & Machinery	9.44	12.43
iii) Others	6.77	9.66
b) Freight, Transportation etc.	0.42	0.36
c) Cess on Milk	4.87	7.53
d) Insurance	0.19	0.36
e) Travelling & Conveyance	0.74	0.84
f) Communication Expenses	0.61	0.56
g) Legal Fess & Professional Charges	3.72	2.78
h) Fees, Rates & Taxes	2.06	1.65
i) Establishment Expenses	9.14	9.43
j) Directors Sitting Fees	0.17	0.17
k) Auditor Remuneration	2.29	1.40
	40.66	48.01



NOTE 22 : Significant Accounting Policies

22.1 Accounting Convention

The 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.

22.2 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.

22.3 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.

22.4 Revenue Recognition

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

22.5 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.

22.6 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.

22.7 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.

22.8 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.

22.9 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 23 : Notes to the Accounts

- 23.1 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/-).

- 23.2 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.

- 23.3 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.

- (a) 23.6 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)



23.5 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.

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

23.7 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.

23.8 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.

23.9 Related Parties

List of Related Parties:

Holding Company	Subsidiary Company	Key Management Personnel
Indian Potash Limited	Shree Krishna Fertilizers Ltd.	Mr. P.S. Gahlaut, Director (00049401) Mr. T Ramachandran (00843175) Mr. Rajagopalan Srinivasan (07285720) Mr. S.S. Sandhawalia, Director (06572978)

23.10. 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



23.4 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.

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

23.6 **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.

23.7 **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.

23.8 **Related Parties**

List of Related Parties:

Holding Company	Subsidiary Company	Key Management Personnel
Indian Potash Limited	Shree Krishna Fertilizers Ltd.	Mr. P.S. Gahlaut, Director (00049401) Mr. T Ramachandran (00843175) Mr. R. Srinivasan (07285720) Mr. S.S. Sandhawalia, Director (06572978)

23.9. **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	200.00	280.33	NIL	NIL
Balance of Advance	480.33	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	273.16
Balance of Investment	NIL	NIL	273.17	273.16



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

Particulars	2015-16	2014-15
Profit/(Loss) after Tax	Rs.16,70,230/-	Rs.62,82,669/-
Weighted average number of equity share of Rs. 100 each	69426	69426
Basis & Diluted Earning (Rs.) per share	Rs. 24.06	Rs. 90.49

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

23.12. **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.

23.13. **Production and Installed Capacities**

Particulars	Production/ Purchase		Sale			
	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

23.14. **Closing Stock of Finished Goods**

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



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

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

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

23.16. **Value of Imports** (CIF Value)

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

23.17. **Expenditure in Foreign Currency**

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

23.18. **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)

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

