

KMG MILKFOOD LTD.

9th K.M. Stone, Pilpli to Ambala,
N.H. 1, G.T. Road Village MASANA,
Distt. Kurukshetra - 132 118
Ph. : 01744-279452 Fax : 01744-279453
E-mail : kmgmilk@kmggroup.com
CIN : L15201HR1999PLC034125



Quarterly Compliance Report on Corporate Governance

Name of the Company: KMG MILK FOOD LIMITED

Quarter ending on: 31.03.2015

| Particulars | Clause of Listing Agreement | Compliance Status (Yes/No/N.A) | Remarks |
|---|-----------------------------|--------------------------------|---|
| II. Board of Directors | 49 (II) | Yes | |
| (A) Composition of Board | 49 (IIA) | Yes | |
| (B) Independent Directors | 49 (IIB) | Yes | |
| (C) Non-executive Directors' compensation & disclosures | 49 (IIC) | NA | Since none of the Non Executive Directors is being paid any remuneration, thus the Company is not required to disclose. |
| (D) Other provisions as to Board and Committees | 49 (IID) | Yes | |
| (E) Code of Conduct | 49 (IIE) | Yes | |
| (F) Whistle Blower Policy | 49 (IIF) | No | Will be complied with in the next Annual Report |
| III. Audit Committee | 49 (III) | Yes | |
| (A) Qualified & Independent Audit Committee | 49 (IIIA) | Yes | |
| (B) Meeting of Audit Committee | 49 (IIIB) | Yes | |
| (C) Powers of Audit Committee | 49 (IIIC) | Yes | |
| (D) Role of Audit Committee | 49 (IIID) | Yes | |
| (E) Review of Information by Audit Committee | 49 (IIIE) | Yes | |
| IV. Nomination and Remuneration Committee | 49 (IV) | Yes | |
| V. Subsidiary Companies | 49 (V) | NA | |
| VI. Risk Management | 49 (VI) | NA | |
| VII. Related Party Transactions | 49 (VII) | Yes | Will be complied with in the next Annual Report. |
| VIII. Disclosures | 49 (VIII) | | |
| (A) Related party transactions | 49 (VIIIA) | Yes | Will be complied with in the next Annual Report |
| (B) Disclosure of Accounting | 49 (VIIIB) | Yes | Will be complied with in the |

A circular stamp with the text 'KMG MILK FOOD LIMITED' around the perimeter and 'MASANA' in the center. The signature is written over the stamp.

| Treatment | | | next Annual Report |
|---|-------------|-----|---|
| (C) Remuneration of Directors | 49 (VIII C) | Yes | Will be complied with in the next Annual Report. |
| (D) Management | 49 (VIII D) | Yes | Will be complied with in the next Annual Report. |
| (E) Shareholders | 49 (VIII E) | Yes | Will be complied with in the next Annual Report. |
| (F) Proceeds from public issues, rights issue, preferential issues, etc | 49 (VIII F) | NA | The Company has not raised fund during the Quarter. |
| IX. CEO/CFO Certification | 49 (IX) | Yes | Will be complied with in the next Annual Report. |
| X. Report on Corporate Governance | 49 (X) | Yes | Will be complied with in the next Annual Report. |
| XI. Compliance | 49 (XI) | Yes | Will be complied with in the next Annual Report. |

Note:

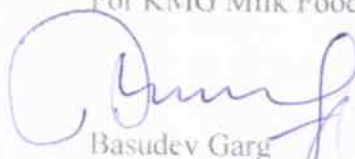
1. The details under each head shall be provided to incorporate all the information required as per the provisions of the Clause 49 of the Listing Agreement.

2. In the column No. 3, compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the Clause 49 I of the Listing Agreement, "Yes" may be indicated. Similarly, in case the company has no related party transactions, the words "N.A." may be indicated against 49(VII).

3. In the remarks column, reasons for non-compliance may be indicated, for example, in case of requirement related to circulation of information to the shareholders, which would be done only in the AGM/EGM, it might be indicated in the "Remarks" column as – "will be complied with at the AGM". Similarly, in respect of matters which can be complied with only where the situation arises, for example, "Report on Corporate Governance" is to be a part of Annual Report only, the words "will be complied in the next Annual Report" may be indicated.

4. The Company is submitting the Quarterly Corporate Governance Compliance Report in amended format voluntarily. However, it is not applicable to the Company as Company's Paid up capital is Rs. 5.30 Crore (Less than Rs. 10 Crore) and the Net Worth is also less than 25 Crore.

For KMG Milk Food Limited


 Basudev Garg
 (Whole Time Director)
 (DIN: 00282038)



Date: 13.04.2015
 Place: Kurukshetra