



**Shwethdharma Milk Producer Company Limited**

**Annual Report**

**2019-20**

# Shwethdara Milk Producer Company Limited

CIN: U01100UP2016PTC082671

## BOARD OF DIRECTORS

<b>Director:</b>	Smt. Savitri
	Smt. Anara Devi
	Smt. Usha Devi
	Smt. Savitri Devi
	Smt. Manju Saroj
	Smt. Sarita Devi
	Smt. Sushila devi
<b>Expert Director:</b>	Sri. Rakesh Singh
	Sri. Brajesh Narain Singh
<b>Chief Executive &amp; Director:</b>	Sri. Lakhvinder Singh

### Company Secretary:

Sri. Nikhil Agarwal

### Statutory Auditors:

Ajay Goel & Co.  
Chartered Accountants

### Internal Auditor:

Ray & Ray  
Chartered Accountants

### Bankers:

HDFC Bank Ltd.  
IDBI Bank Ltd.  
State Bank of India.

### Registrar & Transfer Agent:

Link Intime India Pvt. Ltd.

### Registered Office:

First Floor, Plot No.225, Belhaghat Sadar,  
Ajeet Nagar, Pratapgarh -203001, U.P.

Email: [shwethdara.ce@gmail.com](mailto:shwethdara.ce@gmail.com)

Ph: 9717653892

## **DIRECTORS' REPORT**

### **TO THE MEMBERS OF**

### **SHWETDHARA MILK PRODUCER COMPANY LIMITED**

The Directors are pleased to present before you Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

The Company was incorporated on 25<sup>th</sup> April, 2016 as a Producer Company under the provisions of Part IXA of the Companies Act in the state of Uttar Pradesh to undertake the business of pooling, purchasing, processing of milk of the members, marketing of the same and to deal in the activities that are of or incidental to any activity related thereto.

### **FINANCIAL RESULTS: -**

The Company's financial performance, for the period ended March 31, 2020, is summarised below:

<b>Particulars</b>	<b>1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020</b>	<b>1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019</b>
Revenue from Operation	22,33,64,636/-	158,838,586/-
Total Expenses	<b>22,02,95,862/-</b>	<b>161,222,863/-</b>
Profit / (Loss) Before Tax	<b>59,19,464/-</b>	<b>553,059/-</b>
Tax Expense	10,50,647/-	150,345/-
Net Profit / (Loss) After Tax	<b>48,68,817/-</b>	<b>402,714/-</b>

### **STATE OF THE COMPANY'S AFFAIRS: -**

The Company during the period has generated revenue from operations of Rs. 2233.65 Lakh. The total expenses incurred during the period amounted to Rs. 2202.96 Lakh. Total profit after tax during the period is Rs 48.69 Lakh.

### **DIVIDEND**

The Company does not propose any amount to be paid as Dividend during the year.

### **TRANSFER TO GENERAL RESERVE**

Pursuant to provisions of article no 11.10 of Article of Association of the Company read with Section 581ZI of the Companies Act 1956, the Board proposes to transfer ₹ 48,68,817/- out of the profit after tax of the company for the financial year 2019-20 to the credit of General Reserve in the Balance sheet.

### **REVIEW OF OPERATIONS: -**

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### ***MILK PROCUREMENT:***

The Company's milk procurement operations continue to remain extended in 100 villages of Pratapgarh districts of Uttar Pradesh through Narangpur and Salhipur BMC locations. During the year, the Company has procured 53.04 lakh litres of liquid milk.

At the end of the financial year, the Company had 4507 members. The members have thus shown their confidence in the working of the Company. This healthy indicator reflects the onset of the growth saga of the Company, which will certainly reach higher peaks in years to come with the mutual assistance and support of more and more active members.

To encourage the members to pour milk regularly in the Company, the Company has paid incentive of **7.27** Lakhs to its members.

As regards procurement prices, the Company continues to pay competitive and remunerative prices to its members for the milk being supplied by them. The Company is continuously endeavouring to maximize the productivity by enhancing efficiencies and taking cost reduction measures like reduce the logistics cost, better supervision, quality checks and better logistic controls etc.

### ***QUALITY INITIATIVE:***

All Bulk Milk Coolers (BMCs) under use are well equipped with the basic testing facilities and instruments for quality testing of raw milk. Towards ensuring and maintaining high quality levels in the operations of the Company, the Company has provided and is continuously providing technical support and trainings to all the concerned with emphasis on hygiene which are directly connected to the quality of milk.

### ***PRODUCTIVITY ENHANCEMENT SERVICES***

#### ***ARTIFICIAL INSEMINATION (AI) SERVICES:***

The Company is providing Artificial Insemination (AI) Services through trained qualified AI Technicians using top genetics at the doorstep of farmers in order to improve productivity of milch animals, reduce cost of milk production and maximize farmers' income in its operational area by improving the breed of cattle.

The Company prefers to recruit local trained youths. Follow-up after 21-days of insemination for repeat heat, pregnancy diagnosis after 90 days and calving follow-up record are kept in INAPH Software.

During the year under review, the Company managed to do 3986 AI (Approx. 55 percent conception rate basis first AI follow-up).

### ***RATION BALANCING PROGRAMME (RBP):***

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In the operational area of the Company, producers are following old feeding practices. To encourage the better feeding practices as per the requirement of cattle, Company has adopted Ration Balancing Programme (RBP). Under this programme, milk producers are advised on balanced diet feeding for animals which has been formulated with the help of software. Milk producers are advised to make balanced diet using available food ingredients with them which results into increase in milk production, improved animal health and decreased milk production cost.

During the year under review, 289 new cattle have been covered under the Ration Balancing Programme.

### ***CATTLE FEED***

The Company sold about 493 MT Cattle Feed during the year under review.

### ***INFERTILITY TREATMENT CAMPS***

As infertility is a major hindrance to make animal husbandry profitable occupation, so the Company is organizing infertility treatment camps in its operational area. During the year under review Company tested 72 animals in total 8 Infertility Treatment Camp.

### ***CMT (CALIFORNIA MASTITIS TEST)***

Mastitis, a potentially fatal mammary gland infection, is the most common disease in dairy cattle worldwide. It is also the costliest disease to the dairy industry.

Therefore, Company during the year under review conducted 3555 CMTs (California Mastitis Tests) for milch animals. A total of 338 Mastitis positive cases were traced and cured.

### ***MINERAL MIXTURE***

The Company has developed Mineral Mixture in the brand name of the Company considering the available fodder, climate and feeding habits in area of operations and is providing to producers at a competitive price for improvement in health, milk production and reproduction of milch animals.

The Company sold about 3544 Kg Mineral Mixture during the year under review.

### ***PRODUCER INSTITUTION BUILDING (PIB):***

PIB strengthens the business through better governance and member centric approach. The efforts are directed to increase membership and member participation in business of the company resulting in better economy of scale.

The PIB activities differentiate the Producer Company from the other players in the dairy sector mainly through its open and transparent governance systems and member's contribution towards equity in proportion to their patronage.

### ***MPC's Core Design Principles:***

Core Design Principles were strictly observed. Business dealings were restricted only with members. Active user membership and their participation in business and governance were encouraged through member education and awareness building programmes. It has resulted in most of the active members have fulfilled the matching share capital contribution during the year.

Appropriate mechanism is being initiated for member communication and grievance redressal through constitution of informal groups at village level who meet on periodic basis for ensuring two-way communication between members and the Company, thereby, addressing the member grievances. The employees are also imparted behavioural and motivational training for managing business operations efficiently and achieve economy of scale required to ensure viability and self-sustenance at the earliest.

**Training & Capacity Building Programs:**

Members were imparted training on various awareness programs related to dairying so that they understand their roles and responsibilities. The training programs from time to time are organized covering members, potential members, Board members and employees. Major training programs conducted during the year 2019-20 were:

<b>S.N.</b>	<b>Training Programmes</b>	<b>Nos. of Training Conducted</b>	<b>No of Participants Trained</b>
1.	Skill building of Board of Director's (Finance)	1	5
2.	Refresher Programme for Field Team procurement team	2	19
3.	Refresher Program (Sahayak )	2	55
4.	Members Roles & Responsibility Appreciation Programme	35	728
5.	Need based refresher Programme for members	37	670
6.	Orientation Programme for VCG	12	192
7.	Awareness Programme for Rural Youth	1	34
8.	Rural School children Awareness Programme	4	103
9.	Leadership Development Programme	1	16
10.	Dairy Management Training Programme	10	253

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**MATERIAL CHANGES AFTER CLOSURE OF FINANCIAL YEAR: -**

During the Year 2019-20 the Company name has been changed from Shwetdhara Mahila Milk Producer Company Limited to Shwetdhara Milk Producer Company Limited w.e.f. 07.11.2019

Further there are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2020 till the date of this report. There are no significant and material orders passed by the Regulators and Courts that would impact the going concern status of the Company and its future operations.

**CHANGE IN NATURE OF BUSINESS: -**

There is no change in the nature of business of company during the year under review.

**SHARE CAPITAL AND MEMBERSHIP: -**

As on 31 March, 2020, the paid-up share capital was ₹ 5988800, comprising of 4987 members on Register of Members of the Company.

As on date of this report the total number of members stands at 5061 members and paid up share capital amount at Rs 71.911 Lakhs.

**VOTING RIGHTS AND ATTENDANCE AT AGM: -**

Those milk producers, who were members as on date of this report shall be entitled to attend the AGM and member who has poured milk for at least 200 days totalling to at least 500 Ltrs shall be eligible to vote and have a single vote.

**BOARD OF DIRECTORS: -****a) Composition of the Board**

1.	Mrs. Savitri	(Din: 07736255)
2.	Mr. Rakesh Singh	(Din: 07515918)
3.	Mr. Brajesh Narain Singh	(Din: 08019957)
4.	Mrs. Anara Devi	(Din: 08180062)
5.	Mrs. Usha Devi	(Din: 08291474)
6.	Mrs. Savitri Devi	(Din: 08293770)
7.	Mrs. Manju Saroj	(Din: 08321008)
8.	Mrs. Lakhvinder Singh	(Din: 08421902)
9.	Mrs. Sarita Devi	(Din: 08553205)
10.	Mrs. Sushila Devi	(Din: 08553206)

**b) Change in Composition of the Board**

During the year following change are mentioned below.

S.No.	Director	Expert Dir/Additio nal Dir/ Chief Executive/ Director	Date of appointment	Change in designation/ Cessation	Date of change of interest
1.	Mrs. Raj Kumari	Director	25.04.2016	Cessation	27.09.2019
2.	Mr. Alok Kumar Gupta	Expert Director	01.08.2018	Cessation	31.07.2020
3.	Mrs. Usha Devi	Add. Dir	29.11.2018	Director	27.09.2019
4.	Mrs. Savittri Devi	Add. Dir	03.12.2018	Director	27.09.2019
5.	Mrs. Manju Saroj	Add. Dir	04.01.2019	Director	27.09.2019
6.	Mr. Lakhvinder Singh	Chief Executive	15.04.2019		
7.	Mrs. Sarita Devi	Add. Dir	03.09.2019	Director	27.09.2019
8.	Mrs. Sushila Devi	Add. Dir	03.09.2019	Director	27.09.2019
9.	Mr. Brajesh Narain Singh	Expert Director	27.08.2020		

**TRAINING OF BOARD MEMBERS: -**

During the report period, the directors have undergone Skill Development Programme in the area of Basic accounting in milk producer company in which they have learnt about understanding and analysing income statement and balance sheet. This has increased their awareness about the functioning of the Company thus enabling them to take up their leadership role in a more involved and informed



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manner. The Directors also went for an exposure visit to Sakhi MMPC in Alwar (Rajasthan), NDDDB Dairy Services (Delhi) and Mother Dairy during FY 2019-20.

**DIRECTORS' RESPONSIBILITY STATEMENT: -**

As required under Section 217 of the Companies Act, 1956 ('Act'), Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed by the Company;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2020 and of the profit of the Company for the period ended on that date.
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the directors have prepared the annual accounts on a going concern basis.

**AUDITORS: -**

The Statutory Auditors of the Company, M/s. Ajay Goel & Co., Chartered Accountants, retire at the ensuing fifth AGM, and have confirmed their eligibility and willingness to accept office, if re-appointed.

The Board of Directors recommend the re-appointment of M/s. Ajay Goel & Co., Chartered Accountants, as the Statutory Auditors of the Company at the ensuing AGM.

**INTERNAL CONTROL SYSTEM AND AUDIT: -**

The Company has in place the proper and adequate internal control system, which ensures that all assets are safeguarded and protected and the transactions are authorized, recorded and reported correctly. The internal audit of accounts is conducted regularly by the external firm of Chartered Accountants viz., M/s. Ray & Ray, Chartered Accountants. The Internal Auditors independently evaluate the adequacy of internal controls and carryout the audit.

**HUMAN RESOURCE: -**

People are the assets and have been instrumental in driving the Company's performance. Their passion, commitment, sense of ownership and team work has enabled the Company to achieve growth. The Company has always striven to offer a positive, supportive, open and high-performance work culture and environment where innovation is encouraged, performance is recognised and employees are motivated to realise their true potential.

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**INFORMATION TECHNOLOGY: -**

Information technologies provides support to various functions of the Company and help in making the system streamline and online. The key focus of IT is to provide appropriate technologies to improve efficiency in operations, enable informed decision making and thereby to increase revenue. IT interventions in our Company are making the systems streamlined and online.

**PARTICULARS OF EMPLOYEES: -**

During the year under report, none of the employees of the Company were in receipt of remuneration equal to or exceeding limit as prescribed under the Companies Act.

**SAFETY AND HEALTH: -**

Your Company provides a safe and healthy workplace for its employees. There is always focus on the health and safety of employees, especially those physically handling the milk. Regular medical check-ups and necessary training is provided to employees.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO: -**

Particulars required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

(i) Part A and B of the Rules pertaining to Conservation of energy and Technology absorption are presently not applicable to the Company.

(ii) Foreign Exchange earnings and outgo: Earnings – Nil; Outgo - Nil.

**MEETINGS: -**

During the financial year 2019-20, Three (3) meetings of Board of Directors of the Company were duly convened and held on 24.06.2019, 02.09.2019, & 12.12.2019.

**PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS: -**

The Company has not given any loans, guarantees and investments as per Companies Act, 1956 during the financial year 2019-20.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES: -**

All the contracts or arrangements with related parties are made on arm's length basis. The details of contracts or arrangements appears at notes forming part of the Financial Statement for the year ended 31<sup>st</sup> March 2020.

**RISK MANAGEMENT POLICY: -**

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Internal Auditors in their reports give their risk assessment on various issues and these reports are put up to the Board.

**DEPOSITS: -**

No disclosure or reporting was required in respect of the details relating to deposits covered under provisions of the Act as there were no deposits during the financial year 2019-20.

**INTERNAL FINANCIAL CONTROL: -**

Pursuant to the applicable provision of the Companies Act, the Company has adequate internal financial control systems in place.

**ACKNOWLEDGEMENT: -**

The Board of Directors would like to express their sincere thanks and appreciation for the contributions and support extended by the Members of the Company, Business Associates and Bankers for their continued support during the year.

Your Directors also take this opportunity to place on record their sincere thanks to DHANII Foundation and NDDDB Dairy Services for providing encouragement and continuous support.

The Board also places on record its appreciation for the enthusiastic co-operation, hard work and dedication of all the employees of the company and all concerned without which it would not have been possible to achieve all round progress and growth of the Company.

**For and on behalf of the Board of Directors**

**Date:** 28.10.2020

**Place:** Pratapgarh

Savitri  
Chairman

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Shwethdara Milk Producer Company Limited**

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of **Shwethdara Milk Producer Company Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2020, and profit, for the year ended on that date and in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to Note No. '26' of the Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Company is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

#### Modified Audit Procedures carried out in light of COVID-19 outbreak:

Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central/ State Government/ Local Authorities during the period of our audit, audit could not be conducted by visiting the premises of the Company.

Wherever physical access was not possible, necessary records/ documents were made available to us by the Company through digital medium and emails. To this extent, the audit process was carried out on the basis of

such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current year.

Accordingly, we modified our audit procedures by conducting verification of necessary records/ documents electronically through emails in respect of the Company wherever physical access was not possible, verified scanned copies of the documents and the related records made available to us through emails, by making enquiries and gathering necessary audit evidence through dialogues and discussions over phone calls, emails and similar communication channels and by resolution of our audit observations telephonically/ through email instead of a face-to-face interaction.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is 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 of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and design, implementation and maintenance of adequate internal financial controls, that were 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individual or in aggregate, makes it probable that economic decision of reasonably knowledgeable user of the financial statements may be influenced. We consider materiality and qualitative factors in

- Planning the scope of our audit work and in evaluating the result of our work; and
- To evaluate the effects of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the “**Annexure A**”, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by section 378ZG of the Chapter XXIA of the Companies Act, 2013, we give in the “**Annexure B**”, a statement on the matters specified in that section.

As required by Section 143(3) of the Act, we 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 purposes 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, and the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. In terms of notification dated 13.06.2017 issued by Government of India, Ministry of Corporate Affairs, provisions of section 143(3)(i) of the Companies Act, 2013, reporting on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable to the Company.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The Company does not have any pending litigations which would impact its financial position. - Refer Note ‘27’ to the Financial Statements.
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  3. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

A.K. Goel

*Membership No: 071257*

Partner

For and on behalf of

**Ajay Goel & Co.**

**Chartered Accountants**

*FRN: 02107C*

Lucknow: October 31, 2020

## Annexure 'A' to the Auditors' Report

(Referred to in paragraph 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Shwetdhara Milk Producer Company Limited** ("the Company") for the year ended 31 March 2020)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. In respect of its fixed assets:
  - a. The Company has maintained fixed assets register showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the management during the year and according to the information and explanations give to us, the programme of verification in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancy between the books of account and the physical verification of fixed assets was noticed.
  - c. The Company does not have any immovable properties of freehold and leasehold land and building, hence, reporting clauses (i)(c) of the paragraph 3 of the Order is not applicable.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. 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, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of the paragraph 3 of the Order are not applicable.
4. The Company has not granted any loans or made any investments or given any guarantees and security, where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Hence, the provisions of clause (iv) of the paragraph 3 of the Order are not applicable.
5. The Company has not accepted deposits. Hence, the provisions of clause (v) of the paragraph 3 of the Order are not applicable.
6. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act for the activities carried on by the Company. Hence, the provisions of clause (vi) of the paragraph 3 of the Order are not applicable.
7.
  - a According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, and Goods and Service tax and other material statutory dues have generally been regularly deposited by the Company during the year with appropriate authorities. The provisions of employees' state insurance, investor education and protection fund, wealth tax, custom duty, excise duty, cess and other statutory dues are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, and Goods and Service tax and other material statutory dues which were in arrears as at 31<sup>st</sup> March, 2020, 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 verification of the records of Company, there are no amounts in respect of Income tax, Goods and Service tax, Customs Duty, Wealth Tax, Excise Duty, Cess, which have not been deposited with appropriate authorities on account of any dispute as at 31st March, 2020.
8. The Company has not availed any loans or borrowings from financial institution, bank, Government or debenture holders during the year. Accordingly, the paragraph 3 (viii) of the Order is not applicable.
  9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3 (ix) of the Order is not applicable.
  10. During the course of our audit of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of such cases by the Management.
  11. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
  12. The Company is not a Nidhi Company. Hence, the provisions of clause (xii) of the paragraph 3 of the Order are not applicable.
  13. The Company is a private company and hence the provisions of section 177 and 188 of the Companies Act, 2013 do not apply to the Company. The Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards
  14. The company is registered under chapter XIA of the Companies Act, 1956 and hence reporting under clause (xiv) of the paragraph 3 of the Order is not applicable.
  15. The company has not entered into any non-cash transactions with directors or persons connected with them. Hence, the provisions of clause (xv) of the paragraph 3 of the Order are not applicable.
  16. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the paragraph 3 of the Order are not applicable.

A.K. Goel  
*Membership No: 071257*  
Partner  
For and on behalf of  
**Ajay Goel & Co.**  
**Chartered Accountants**  
*FRN: 02107C*

Lucknow: October 31, 2020

## Annexure 'B' to the Auditors' Report

(Referred to in paragraph 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Shwetdhara Milk Producer Company Limited** ("the Company") for the year ended 31 March 2020)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. The amount of debts due from sale of goods and services are as disclosed in note No. '14' to the financial statements. There are no debts, which are considered as doubtful of recovery.
2. The Company was not having any cash on hand as at year-end and there was no holding of investment securities.
3. The details of assets and liabilities as at 31 March, 2020 are as per the financial statements of the Company as at and for the year ended 31 March, 2020.
4. The Company has not done any transaction which appears to be contrary to the provisions of Chapter XXIA of the Companies Act, 2013.
5. The Company has not granted any loan to its directors.
6. The Company has not given any donations or subscriptions during the year.
7. There is no other matter, which is considered necessary to be reported.

A.K. Goel  
Membership No: 071257  
Partner  
For and on behalf of  
**Ajay Goel & Co.**  
**Chartered Accountants**  
FRN: 02107C

Lucknow: October 31, 2020

# SHWETHDARA MILK PRODUCER COMPANY LIMITED

## BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	31.03.2020 Rupees	31.03.2019 Rupees
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's funds</b>			
Share Capital	3	5,988,800	4,832,600
Reserves and Surplus	4	5,260,509	391,693
		<b><u>11,249,309</u></b>	<b><u>5,224,293</u></b>
<b>Share application money pending allotment</b>		1,605,900	1,311,100
<b>Deferred Grant</b>	5	15,171,550	18,357,460
<b>Non- current liabilities</b>			
Long-term Provisions	6	509,579	253,106.00
<b>Current Liabilities</b>			
Trade payables	7	8,901,089	7,537,742
Other current liabilities	8	6,023,734	8,074,013
Short term provisions	9	1,522,825	441,315
		<b><u>16,447,648</u></b>	<b><u>16,053,071</u></b>
<i>Total</i>		<b><u>44,983,987</u></b>	<b><u>41,199,029</u></b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, Plant and Equipment			
Tangible assets	10	15,798,641	17,610,927
Intangible assets	10	1	6,891
Capital work-in-progress	10	744,599	744,599
Deferred tax assets (net)	11	-	126,647
Long-term loans and advances	12	77,142	67,000
		<b><u>16,620,383</u></b>	<b><u>18,556,064</u></b>
<b>Current assets</b>			
Inventories	13	728,578	1,035,137
Trade Receivables	14	7,689,202	7,174,757
Cash and Cash equivalents	15	18,193,166	13,936,522
Short-term loans and advances	16	1,752,658	496,550
		<b><u>28,363,604</u></b>	<b><u>22,642,966</u></b>
<i>Total</i>		<b><u>44,983,986</u></b>	<b><u>41,199,029</u></b>
Significant Accounting Policies	2		
Accompanying notes are integral part of the financial statements			

For and on behalf of the Board

As per our report of even date

Lakhvinder Singh  
Director & CE  
DIN:08421902

Savitri  
Director  
DIN:07736255

Anara Devi  
Director  
DIN:08180062

Nikhil Agarwal  
Company Secretary  
M.No.A38589

A. K. Goel  
(ICAI Mem. No.: 071257)  
*Partner*

for and on behalf of

**AJAY GOEL & CO.**  
**Chartered Accountants**  
(FRN: 02107C)

Pratapgarh:

Lucknow:

**SHWETDHARA MILK PRODUCER COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

	Note No.	2019-20 Rupees	2018-19 Rupees
<b>REVENUE</b>			
Revenue from operations	17	223,364,636	158,838,586
Other Income	18	2,850,690	2,937,337
<i>Total Revenue</i>		<b>226,215,326</b>	<b>161,775,923</b>
<b>EXPENSES</b>			
Purchase of Stock-in-trade	19	191,014,346	135,353,040
Change in inventory of stock-in-trade	20	389,592	(242,354)
Employee benefits expenses	21	7,196,588	6,037,348
Depreciation and amortization expenses	22	295,839	1,444
Other expenses	23	21,399,498	20,073,385
<i>Total Expenses</i>		<b>220,295,862</b>	<b>161,222,863</b>
Profit before exceptional and extraordinary items and tax		<b>5,919,464</b>	<b>553,060</b>
Exceptional Items		-	-
Profit before extraordinary items, prior period item and tax		<b>5,919,464</b>	<b>553,060</b>
Extraordinary items		-	-
Profit before tax		<b>5,919,464</b>	<b>553,060</b>
<b>Tax expenses</b>			
Current tax		924,000	208,000
Deferred tax		126,647	(57,655)
		<b>1,050,647</b>	<b>150,345</b>
Profit for the period from continuing operations		<b>4,868,817</b>	<b>402,715</b>
Profit/(Loss) for the period from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
<b>Profit for the year</b>		<b>4,868,817</b>	<b>402,715</b>
<b>Earnings per equity share</b> (Nominal Value Rs.100 per share)			
Basic and Diluted	24	85.11	11.97
Significant Accounting Policies	2		
Accompanying notes are integral part of the financial statements			

For and on behalf of the Board

As per our report of even date

Lakhvinder Singh  
Director & CE  
DIN:08421902

Savitri  
Director  
DIN:07736255

Anara Devi  
Director  
DIN:08180062

Nikhil Agarwal  
Company Secretary  
M.No.A38589

A. K. Goel  
(ICAI Mem. No.: 071257)  
Partner

for and on behalf of

**AJAY GOEL & CO.**

**Chartered Accountants**

(FRN: 02107C)

Pratapgarh:

Lucknow:

**SHWETDHARA MILK PRODUCER COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

	Year ended 31.03.2020 (Rupees)	Year ended 31.03.2019 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before Tax	5,919,464	553,060
Adjustment for :		
Depreciation and Amortization Expenses	295,839	1,444
Interest Income	(165,591)	(429,425)
<b>Operating profit before working capital changes</b>	<b>6,049,711</b>	<b>125,078</b>
Changes in working Capital:		
Trade and other Receivables	(1,461,395)	(2,046,845)
Increase/ Decrease in Inventories	306,559	(382,057)
Trade and other Payables	104,602	2,259,163
Cash generation from Operation	<b>4,999,477</b>	<b>(44,661)</b>
Direct Taxes paid	(924,000)	(208,000)
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>4,075,477</b>	<b>(252,661)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale/(Purchase) of Fixed Assets (Net)	(1,116,123)	(2,554,932)
Interest Income	165,591	429,425
Bank balances not considered as cash and cash equivalents	(5,400,000)	(600,000)
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(6,350,532)</b>	<b>(2,725,507)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Application Money	294,800	287,500
Proceeds from issue of Equity Share Capital (net of shares surrendered)	836,900	2,862,100
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>1,131,700</b>	<b>3,149,600</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(1,143,355)</b>	<b>171,432</b>
add: Opening Cash and Cash Equivalents	13,251,722	13,080,290
Closing Cash and Cash Equivalents	<b>12,108,367</b>	<b>13,251,722</b>

**Significant Accounting Polices**

2

Accompanying notes are integral part of the Financial Statements.

Figures in brackets represent outflows

For and on behalf of the Board

As per our report of even date

Lakhvinder Singh  
Director & CE  
DIN:08421902

Savitri  
Director  
DIN:07736255

Anara Devi  
Director  
DIN:08180062

Nikhil Agarwal  
Company Secretary  
M.No.A38589

A. K. Goel  
(ICAI Mem. No.: 071257)  
Partner

for and on behalf of

**AJAY GOEL & CO.**

**Chartered Accountants**

(FRN: 02107C)

Pratapgarh:

Lucknow:

**1. Corporate Information**

Shwethdhara Milk producer company Limited ("the company") was incorporated on 25.04.2016, under Part IXA of the Companies Act, 1956 with the main object to carry on the business of Pooling, Purchasing, Processing of Milk and Milk products primarily of the members, to provide technical and managerial services in the area of breeding, feed/fodder, veterinary services to increase milk production for the benefit of the members and to deal in activities that are part of or incidental to any activity related thereto.

During the year, the Company was engaged in trading of milk by procuring milk directly from milk producers at milk pooling points in villages of Dist. Pratapgarh, Uttar Pradesh and sells to dairies. The Company also provided cattle feed and mineral mixtures to pourers to facilitate them to increase production and quality of milk.

**2. Significant Accounting Policies****a. Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the New Act")/Companies Act, 1956 ("the Act") as applicable. As per the provisions contained under section 465 of the Companies Act, 2013 (section yet to be notified), the provisions of Part IXA of the Companies Act, 1956 shall be applicable mutatis mutandis to a producer company in a manner as if the Companies Act, 1956 has not been repealed until a special Act is enacted for Producer Companies. There are no specific provisions under the Companies Act, 2013 with regard to Producer Companies. As such inference has been drawn that the provisions of Companies Act, 1956 are applicable to the Producer Company in a manner as if the Companies Act, 1956 has not been repealed.

All the assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of services rendered by the Company and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 month for the purpose of current- non current classification of assets and liabilities.

**b. System of Accounting**

The financial statements are prepared on the accrual basis of accounting under the historical cost convention and recognises income and expenditure on an accrual basis except in case of significant uncertainties.

**c. Use of Estimates**

The preparation of financial statement in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of financial statement are prudent and reasonable. Future results could differ due to these estimates and differences between actual result and the estimates are recognised in the period in which results are known/ materialize.

**d. Cash flow statement**

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statement', whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of cash flow statement, cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three month or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**e. Revenue Recognition**

Sales are recognized net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyers, which generally coincides with the delivery of goods to customers.

f. **Other Income**

Interest Income on deposits and admission fees from members are recognized on accrual basis.

g. **Property, Plant & Equipment (Including Intangibles)**

Property, Plant & Equipment and Intangible Assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of Property, Plant & Equipment and Intangible Assets comprises their purchase price net of any trade discounts and rebates, other taxes (others than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant & Equipment up to the date asset is ready for its intended use. Subsequent expenditure on Property, Plant & Equipment after its purchase is capitalized only if such expenditure results in an increase in future benefits from such asset beyond its previous assessed standard of performance.

h. **Depreciation and amortization**

Depreciation on Property, Plant & Equipment and intangible assets has been provided on Straight Line Method (with out considering any residual value) as per the useful life of the assets, taking into account the nature of the asset, the estimated useful life of assets as estimated by the management, the operating condition of the asset, past history of replacements, anticipated technological changes, manufactured warranties and maintenance support etc. as under;

Description	Useful life
Milk Cans	4 Years
Pen Drive	3 Years
Plant & Machinery	10 Years
Laboratory accessories	1 Year
Computer & Peripherals	3 Years
Furniture & Fixtures	15 Years
Office equipments	10 Years
Intangible Assets	3 Years

\*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

i. **Capital work-in-progress**

Assets which are not ready for its intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

j. **Inventories**

Inventories comprises of trading good (milk, cattle feed and mineral mixture). Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, wherever considered necessary. Cost is determined using First In First Out method. Cost includes all charges incurred in bringing the inventories to their present location and condition. Small tools, chemicals, stores and spares and consumables are charged to consumption as and when purchased.

k. **Grants**

Grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached to them and the grants/subsidies will be received. Grants related to depreciable Property, Plant & Equipment are treated as deferred grants which is recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset i.e. depreciation charge on assets procured from such grants is appropriated from Deferred Grant and recognized in the statement of profit and loss by way of reduced depreciation charge.

Revenue grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis.

**I. Employee Benefits**

Employee benefits includes Provident Fund, Gratuity and Leave Encashment.

**a. Defined Contribution Plans :**

The Company's contributions to provident fund is considered as defined contribution plan and are charged to the Statement of Profit and Loss based on the amount of contributions required to be made as and when services are rendered by the employees.

**b. Defined Benefit Plans :**

Gratuity and Leave Encashment are considered as defined benefit plan. Gratuity and Leave Encashment are provided on actuarial valuation carried out at the balance sheet date. The incremental liability based on an actuarial valuation as per the 'Projected Unit Credit' (PUC) method as at the reporting date, is charged to the Statement of Profit and Loss Account. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

**c. Short-term employee benefits :**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits includes salaries, wages, bonus, performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

**d. Long-term employee benefits :**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date on the basis of actuarial valuation.

**m. Earning Per Share:**

Basic and diluted earnings per share are computed in accordance with Accounting Standard (AS)-20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except which results are anti-dilutive.

**n. Taxation**

Income Tax expense comprises current tax and deferred tax. Current tax liability is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of Income Tax Act, 1961 and considering deduction available under section 80 PA of income tax Act ,1961 and other applicable Tax law. □

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred Tax is recognized on timing difference; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax is measured using the tax rates and the tax laws enacted or subsequently enacted as at the reporting date. Deferred Tax liabilities are recognized for all the timing differences. Deferred tax asset are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available which these can be realized. However, if there are unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has legal enforceable right for such set off.



o. **Impairment of Asset**

At each balance sheet date, the company reviews the carrying value of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an assets net selling price and value in use. In assessing value in use the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a prediscout rate that reflects the current market assessment of time value of money and the risk specified to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

p. **Provisions and Contingencies**

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

q. **Leases**

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rent under operating leases are recognised in the statement of profit and loss account on straight line basis.

r. **Operating cycle**

Based on the nature of products/ activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

t. **General**

Except wherever stated accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

	31.03.2020	31.03.2019
	Rupees	Rupees
<b>3. SHARE CAPITAL</b>		
<b>a Authorized</b>		
10,00,000 Equity shares of Rs.100/- each	<u>100,000,000</u>	<u>5,000,000</u>
<b>b Issued, subscribed and paid up</b>		
59,888 Equity Shares (Previous Year: 48326 shares) of Rs.100/- each fully paid up*	5,988,800	4,832,600
<i>*includes 3667 Equity Shares (previous year: 474 shares) surrendered and available for re-issue</i>		
<b>c. The Company has only one class of shares referred to as Equity Shares having a par value of Rs.100 per share. Every member shall have a single vote, provided that the member has poured milk for at least 200 days totaling to at least 500 litres in a year.</b>		
Members are entitled to limited returns (dividend) and bonus in accordance with Articles of Association of the Company.		
<b>d. Reconciliation of the shares outstanding at the beginning and at the end of the year</b>		
Equity Shares of Rs.100/- each	No. of Shares	
	31.03.2020	31.03.2019
As at the beginning of the year	48,326	19,231
Add: Shares issued during the year (net shares surrendered)	11,562	29,095
As at the end of the year	<u>59,888</u>	<u>48,326</u>
	<u>5,988,800</u>	<u>4,832,600</u>
<b>e. The Company is registered under part IXA of the Companies Act, 1956 as 'Producer Company' and none of the member holds 5% or more of the share capital of the Company.</b>		

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

	31.03.2020 Rupees	31.03.2019 Rupees
<b>4. RESERVES &amp; SURPLUS</b>		
<b>Surplus in Statement of Profit and Loss Account</b>		
Balance as on date of last balance sheet	391,693	(11,022)
Profit/ (Loss) for the year	4,868,817	402,715
Closing Balance	<b>5,260,509</b>	<b>391,693</b>
<b>5 DEFERRED GRANT</b>		
Opening balance	18,357,461	18,564,215
Add: Capital grant utilized during the year <sup>(Refer Note No.33)</sup>	-	2,563,146
Add: Depreciation written back	-	30,918
Less: WDV of assets lost/ destroyed during the year	(144,912)	-
Less: Cost of assets for which grant not utilized/ refunded	(331,897)	-
Less: Depreciation pertaining to assets acquired from grant	(2,709,101)	(2,800,819)
Closing Balance	<b>15,171,550</b>	<b>18,357,460</b>
<b>6 LONG TERM PROVISIONS</b>		
Provision for Gratuity	228,500	104,152
Provision for Leave Encashment	281,079	148,954
	<b>509,579</b>	<b>253,106</b>
<b>7 TRADE PAYABLE</b>		
Sundry Creditors	8,901,089	7,537,742
	<b>8,901,089</b>	<b>7,537,742</b>
<b>8 OTHER CURRENT LIABILITIES</b>		
Employees	133,822	206,240
Share Surrendered	25,060	-
Outstanding liabilities	982,068	595,696
Income Tax Deducted at Source Payable	46,823	30,737
Provident Fund Payable	77,841	76,663
GST Payable	23,341	4,412
Un-utilized Grants		
- CAPEX Grant for capital expenditure	-	3,558,536
- OPEX Grant for operating expenditure	1,264,872	1,371,730
Grant refundable (Dairy Health & Nutrition Initiative India)	1,159,905	-
Security Deposits	2,310,002	2,230,000
	<b>6,023,734</b>	<b>8,074,013</b>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Income Tax*	1,132,000	208,000
Provision for Gratuity	4,280	1,951
Provision for Performance Linked Incentive (PLI)	163,146	59,380
Provision for Bonus	211,897	166,000
Provision for Leave Encashment	11,502	5,984
	<b>1,522,825</b>	<b>441,315</b>

\* Provision for Income Tax has been made considering the provisions of section 80PA of the Income-tax Act, 1961, which allows 100% deduction of profits to Producer Companies, having a total turnover of less than Rs.100 crore and whose gross total income includes any income from the marketing of agricultural produce grown by its members. This deduction is available for the financial years 2018-19 to 2023-24. Based on expert's opinion, the Management has considered "Milk" as "Agricultural Produce" and decided to avail the benefits extended under section 80PA of the Income-tax Act, 1961.

## 10 PROPERTY, PLANT AND EQUIPMENT

Particulars	COST		DEPRECIATION			W.D.V.		
	As at 01.04.2019	Additions (Deductions) during the year	As on 31.03.2020	As at 01.04.2019	for the year / (Deductions during the year)	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
<b>i. Tangible Assets</b>								
<b>Grant Assets</b>								
Furniture & Fixture	686,333	-	686,333	94,745	53,022	147,767	538,566	591,588
Plant & Machinery	20,374,705	-	20,307,571	3,877,994	2,435,244	6,286,491	14,021,080	16,496,711
		(67,134)			(26,748)			
Computers	901,114	-	901,114	721,019	176,369	897,388	3,726	180,095
Office Equipments	441,595	-	294,176	104,018	37,576	98,701	195,475	337,577
		(147,419)			(42,893)			
<b>Other Assets</b>								
Furniture & Fixture	-	75,500	75,500	-	21	21	75,479	-
Plant & Machinery	6,400	1,020,451	1,026,851	1,444	256,190	257,634	769,217	4,956
Computers	-	100,000	100,000	-	17,839	17,839	82,161	-
Office Equipments	-	134,725	134,725	-	21,788	21,788	112,937	-
	<b>22,410,147</b>	<b>1,330,676</b>	<b>23,526,270</b>	<b>4,799,220</b>	<b>2,998,050</b>	<b>7,727,629</b>	<b>15,798,641</b>	<b>17,610,927</b>
		<b>(214,553)</b>			<b>(69,641)</b>			
<i>Previous Year</i>	19,146,462	3,564,661	22,410,147	2,060,854	2,783,900	4,799,220	17,610,927	
		<b>(300,977)</b>						
<b>ii. Intangible Assets (Out of Grant)</b>								
Computer Software	55,502	-	55,502	48,611	6,890	55,501	1	6,891
	<b>55,502</b>	<b>-</b>	<b>55,502</b>	<b>48,611</b>	<b>6,890</b>	<b>55,501</b>	<b>1</b>	<b>6,891</b>
<i>Previous Year</i>	<b>55,502</b>	<b>-</b>	<b>55,502</b>	<b>30,248</b>	<b>18,363</b>	<b>48,611</b>	<b>6,891</b>	
<b>iii. Capital Work-in-progress</b>								
out of Grant	412,702	-	412,702	-	-	-	412,702	412,702
Others	331,897	-	331,897	-	-	-	331,897	331,897
	<b>744,599</b>	<b>-</b>	<b>744,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>744,599</b>	<b>744,599</b>
<i>Previous Year</i>	1,453,353	1,945,269	744,599	-	-	-	744,599	
		<b>(2,654,023)</b>						

## 11 DEFERRED TAX ASSETS

Balance/ (Liability) as on date of last balance sheet		126,647	68,992
Changes made during the year			
- on difference between book balance and tax balance of fixed assets		-	248
- on provision for Bonus, Gratuity and Leave Encashment		-	65,625
- on preliminary Expenses to the extent available for amortization in future years		-	(8,218)
		<b>-</b>	<b>126,647</b>

Deferred Tax has not been recognized in current year considering deduction available under section 80-PA of the Income Tax Act, 1961, which has resulted in no timing difference.

## 12 LONG TERM LOANS AND ADVANCES

Security Deposits		77,142	67,000
		<b>77,142</b>	<b>67,000</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

	31.03.2020 Rupees	31.03.2019 Rupees
<b>13 INVENTORIES</b>		
As taken, certified and valued by management at cost		
Bulk Milk	-	259,986
Cattle Feed	331,246	460,852
Chemicals, Consumables and tags	397,332	314,299
	<b>728,578</b>	<b>1,035,137</b>
<b>14 TRADE RECEIVABLES</b>		
<i>Unsecured and considered good</i>		
a. Debts outstanding for a period less than six months from due date	7,689,202	7,174,757
b. Others	-	-
	<b>7,689,202</b>	<b>7,174,757</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Scheduled banks		
- in current accounts	12,108,367	12,351,722
- in fixed deposits account (original maturity of 3 months or less)	-	900,000
Cash in hand	-	-
Cash and Cash Equivalents as per AS 3 -Cash Flow Statement	<b>12,108,367</b>	<b>13,251,722</b>
<b>Other Bank Balances</b>		
In fixed deposits account (original maturity more than 3 months)	6,084,800	684,800
	<b>18,193,167</b>	<b>13,936,522</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
<i>Unsecured, considered good</i>		
Advance Income Tax/ Tax deducted at source	802,771	248,031
Accrued Interest	34,972	25,318
Shares available for re-issue	366,700	47,400
Other advances	548,215	175,801
	<b>1,752,658</b>	<b>496,550</b>
	2019-20 Rupees	2018-19 Rupees
<b>17 REVENUE FROM OPERATIONS</b>		
<b>Sales of</b>		
Bulk Milk	214,234,554	154,421,600
Cattle Feed & Makhhan Grass	8,815,555	4,174,280
CMT Kit & Tri Sodium Citrate	28,175	-
Mineral Mixture and Oxibil	286,352	242,706
	<b>223,364,636</b>	<b>158,838,586</b>
<b>18 OTHER INCOME</b>		
Revenue Grant	2,220,760	2,399,697
Admission fee from members	51,187	88,642
Other Income	413,152	19,573
Interest from Banks	165,591	429,425
	<b>2,850,690</b>	<b>2,937,337</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

	2019-20 Rupees	2018-19 Rupees
<b>19 PURCHASES OF TRADED GOODS</b>		
Raw Bulk Milk	182,678,230	131,195,485
Cattle Feed & Makhhan Grass	8,188,700	3,962,230
CMT Kit & Tri Sodium Citrate	29,416	-
Mineral Mixture	118,000	195,325
	<b>191,014,346</b>	<b>135,353,040</b>
<b>20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
<i>Inventories at the beginning of the year</i>		
Raw Bulk Milk	259,986	153,987
Cattle Feed	460,852	324,497
<i>Inventories at the end of the year</i>		
Raw Bulk Milk	-	259,986
Cattle Feed	331,246	460,852
Net decrease/ (increase) in inventories	<b>389,592</b>	<b>(242,354)</b>
<b>21 EMPLOYEE BENEFIT EXPENSES</b>		
Salary and wages	5,096,398	4,400,886
Contribution towards Provident Fund	433,002	258,470
Gratuity	135,760	83,058
Bonus	192,281	166,000
Leave Encashment	146,518	119,015
Staff welfare	63,902	69,862
Directors Remuneration *	1,128,727	940,057
	<b>7,196,588</b>	<b>6,037,348</b>
* Directors' remuneration include contribution towards Provident Fund Rs.54,900 (Previous year: Rs.43,131), Gratuity paid Rs.21,681 (Previous year: Rs.25,562) and payment towards leave encashment Rs.33,916 (Previous Year: Rs.44,280).		
<b>22 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Tangible Assets	2,998,050	2,783,900
Depreciation on Intangible Assets	6,890	18,363
Less: Depreciation pertaining to Assets acquired on grant	(2,709,101)	(2,800,819)
	<b>295,839</b>	<b>1,444</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

	2019-20 Rupees	2018-19 Rupees
<b>23 OTHER EXPENSES</b>		
Freight Inward	4,679,989	4,503,496
Power and Fuel	1,984,940	2,480,085
Freight, Cartage and Forwarding Expense	3,585,395	3,285,742
Incentives and commission to sahayaks	2,974,822	2,917,084
Labour Charges	700,960	651,500
Vehicle Hire Charges	563,035	476,461
Rent	634,692	598,800
Travelling and Conveyance	800,574	556,819
Travelling and Conveyance - Directors	9,440	17,700
Chemicals and Consumables	473,116	577,442
Training Expenses	104,040	353,600
Communication & Networking expenses	627,929	504,965
Printing and Stationery	99,827	279,039
Artificial Insemination	550,800	496,000
Covid 19 Expenses	15,000	-
Price Incentive	700,068	420,786
Professional Fees	380,343	279,584
Meeting Expenses	329,792	358,887
Model Dairy Farm Expenses	28,155	-
Remuneration to Auditors	123,900	148,475
Repairs and Maintenance - BMC	736,682	485,384
Repairs and Maintenance - Others	1,600	10,050
Directors' Sitting Fees	9,440	17,700
Directors Exposure Visit Expenses	62,869	-
Recruitment Expenses	63,009	5,161
Interest	576	107
Rates and taxes	664,072	297,757
Miscellaneous expenses	494,433	350,760
	<b>21,399,498</b>	<b>20,073,385</b>
<b>#1 Remuneration to Auditors (Including GST)</b>		
Audit Fee	82,600	82,600
Other services	41,300	35,400
Reimbursement of expenses	-	30,475
	<b>123,900</b>	<b>148,475</b>
<b>24 Earning Per share</b>		
a. Net Profit after Tax (exceptional and extraordinary items) available for equity share holders	4,868,817	402,715
b. Weighted average number of Equity Shares of Rs.100 each Outstanding during the year (No's of shares)	57,203	33,630
c. Nominal value per Equity Shares (Rs.)	100	100
d. Basic/ Diluted earnings per share (a/b) (Rs.)	85.11	11.97
<b>25 Contingent Liabilities:</b>	Nil	Nil

**26 Estimation of uncertainties relating to COVID-19**

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its tangible and intangible assets, trade receivable, Capital work-in-progress and inventories.. The Company will continue to monitor the future economic conditions and update its assessment.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020 and there would not be any significant impact on activities of the Company.

As at 31.03.2020	As at 31.03.2019
Rupees	Rupees

**27 Litigations:**

Pending litigation or disputes with any customer, service provider, creditors, staff, Government Authorities and other stake holder.

Nil	Nil
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Impact of pending litigations on financial position in financial statements

Nil	Nil
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28 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied by the Auditors.

29 The Company is engaged in single business segment of trading of milk and cattle feeds and operates in single geographical segment in India. Hence the disclosures required under Accounting Standard (AS) - 17 on Segment Reporting are not applicable.

**30 Leasing Arrangements**

The Company has taken premises on operating lease. Lease rentals paid during the year have been recognized as expense as per Accounting Standard 19 (AS 19) "Leases".

The Company does not have any financial lease arrangement.

The Company has entered into lease arrangements for office premises, BMC and store. The Company has recognised lease rental expenses in the statement of profit and loss as under;

for corporate office at Pratapgarh: Period 5 years, expiring on 31.07.2021. The agreement provides for increase in lease payments by 5% every year.

2019-20	2018-19
Rupees	Rupees

218,292	207,900
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for BMC office at Narangpur, Pratapgarh: Period 1 year, expiring on 31.08.2020.

172,400	158,400
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for BMC office at Selhipur, Pratapgarh: Period 3 years, expiring on 30.09.2020. The lease agreement provides for annual increase in lease payment by 10%.

180,000	180,000
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for Store at Narangpur: Period 1 year, expiring on 09.09.2020.

36,000	36,000
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Lease rents paid under the arrangement

606,692	582,300
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As at 31.03.2020	As at 31.03.2019
Rupees	Rupees

Minimum Lease Rental Payable

- Within one year

411,472	513,492
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- Later than 1 year but not later than 5 years

57,303	388,755
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- Later than 5 year

-	-
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**31 Disclosures in Accordance with Revised Accounting Standard 15 (AS-15) on "Employee benefits"****A. Defined contribution plan**

The Company offers its employees defined contribution plan in the form of Provident Fund, which covers all regular employees. Provident Fund Contribution is deposited with the Regional Provident Fund Commissioner (RPFC). Both the employees and the Company pay predetermined contributions into the provident fund. The contributions are normally based on ascertain proportion of the employee's salary.

2019-20	2018-19
Rupees	Rupees

The Provident Fund contribution recognized in the statement of profit and loss.

433,002	258,470
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**B. Defined benefit plan**

The Company offers its employees defined benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employees's compensation (immediately before retirement). The gratuity scheme covers all regular employees. In the case of the gratuity scheme the Company contributes to a trust administrated by LIC of India and funds approved by Income Tax Authorities. Commitments are Actuarially determined at year end. Actuarial valuation is done based on "Projected Unit Credit (PCU) Actuarial Method". Gains and losses of changed Actuarial assumptions are charged to the statement of Profit and Loss account.

Funded status of the defined benefit plan in respect of Gratuity and amount recognised in the financial statements.

	2019-20 Rupees	2018-19 Rupees
<b>i. Changes in Present Value of Benefit Obligation</b>		
Present Value of Benefit Obligation at beginning of the year	106,103	67,120
Current Service Cost	120,157	64,053
Interest Cost	7,215	5,168
Benefit Paid	(30,764)	(69,637)
Actuarial Losses (Gains)	30,069	39,399
Present Value of Benefit Obligation on 31.03.2020	<u>232,780</u>	<u>106,103</u>
<b>ii. Changes in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of the year	-	-
Expected Return on Plan Assets	-	-
Company Contributions	-	-
Benefits paid	-	-
Actuarial Losses (Gains)	-	-
Fair Value of Plan Assets on 31.03.2020	<u>-</u>	<u>-</u>
<b>iii. Return on Plan Assets</b>		
Expected Return on Plan Assets	-	-
Actuarial Gains/ (Losses)	-	-
Actuarial Return on Plan Assets	<u>-</u>	<u>-</u>
<b>iv. Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation on 31.03.2020	232,780	106,103
Fair Value of Plan Assets on 31.03.2020	-	-
<b>Net Liability / (Asset) recognized in Balance Sheet</b>	<u>232,780</u>	<u>106,103</u>
<b>v. Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service cost	120,157	64,053
Interest cost	7,215	5,168
Expected Return on Plan Assets	-	-
Net actuarial losses (gains) recognized in the year	30,069	39,399
Expenses recognized in Statement of Profit and Loss	<u>157,441</u>	<u>108,620</u>
<b>vi. Balance Sheet Recognition</b>		
Net liability/ (assets) at the beginning of the year	-	-
Expenses as above	157,441	108,620
Contributions	-	-
Net liability/ (assets) at the end of the year	<u>157,441</u>	<u>108,620</u>
<b>vii. Principal Actuarial Assumptions</b>		
Discount Rate	6.80% p.a.	7.70% p.a.
Expected Salary Escalations	7.00% p.a.	7.00% p.a.
Attrition Rate	5.00% p.a.	5.00% p.a.
(5% at younger ages and reducing to 1% at older ages according to graduated scale)		
Mortality Table Used	I.A.L.M. (2012-14) Ultimate	



	2019-20 Rupees	2018-19 Rupees
<b>C. Actuarial Assumptions for Compensated Absences (Leave Liability)</b>		
<b>i. Changes in Present Value of Benefit Obligation</b>		
Present Value of Benefit Obligation at beginning of the year	154,938	105,065
Current Service Cost	91,373	85,727
Interest Cost	10,536	8,090
Benefit Paid	(42,789)	(113,422)
Actuarial Losses (Gains)	78,523	69,478
Present Value of Benefit Obligation on 31.03.2020	292,581	154,938
<b>ii. Changes in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of the year	-	-
Expected Return on Plan Assets	-	-
Company Contributions	-	-
Benefits paid	-	-
Actuarial Losses (Gains)	-	-
Fair Value of Plan Assets on 31.03.2020	-	-
<b>iii. Return on Plan Assets</b>		
Expected Return on Plan Assets	-	-
Actuarial Gains/ (Losses)	-	-
Actuarial Return on Plan Assets	-	-
<b>iv. Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation on 31.03.2020	292,581	154,938
Fair Value of Plan Assets on 31.03.2020	-	-
<b>Net Liability / (Asset) recognized in Balance Sheet</b>	<b>292,581</b>	<b>154,938</b>
<b>v. Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service cost	91,373	85,727
Interest cost	10,536	8,090
Expected Return on Plan Assets	-	-
Net actuarial losses (gains) recognized in the year	78,523	69,478
Expenses recognized in Statement of Profit and Loss	180,432	163,295
<b>vi. Balance Sheet Recognition</b>		
Net liability/ (assets) at the beginning of the year	-	-
Expenses as above	180,432	163,295
Contributions	-	-
Net liability/ (assets) at the end of the year	180,432	163,295
<b>vii. Principal Actuarial Assumptions</b>		
Discount Rate	6.80% p.a.	7.70% p.a.
Expected Salary Escalations	7.00% p.a.	7.00% p.a.
Attrition Rate	5.00% p.a.	5.00% p.a.
(5% at younger ages and reducing to 1% at older ages according to graduated scale)		
Mortality Table Used	I.A.L.M. (2012-14) Ultimate	

	2019-20 Rupees	2018-19 Rupees
<b>D. Experience Adjustment</b>		
<b>Gratuity</b>		
Present value of defined benefit	232,780	106,103
Fair Value of plan assets	-	-
Funded status	157,441	108,620
Gain/ (losses) on obligations	-	-
Gain/ (losses) on plan assets	-	-
<b>Leave Liability</b>		
Present value of defined benefit	292,581	154,938
Fair Value of plan assets	-	-
Funded status	180,432	163,295
Gain/ (losses) on obligations	-	-
Gain/ (losses) on plan assets	-	-

32 **Related Party Disclosures :****A. List of Related Parties:**

## 1. Key Management Personnel (KMP)

Name	Relationship	
Mr. Lakhvinder Singh	Whole time Director	Since 15.04.19
Mr. Rakesh Singh	Director	Since 24.03.17
Smt. Raj Kumari	Director	Till 27.09.19
Smt. Savitri	Director	Since 24.03.17
Smt. Anara Devi	Director	Since 13.07.18
Smt. Manju Saroj	Director	Since 04.01.19
Mr. Alok Kumar Gupta	Director	Since 01.08.18
Smt. Usha Devi	Director	Since 29.11.18
Smt. Savitri Devi	Director	Since 03.12.18
Smt. Sarita Devi	Director	Since 03.09.19
Smt. Sushila Devi	Director	Since 03.09.19

**B. Transactions with the Related Parties**

Name	Sitting Fee *		Reimbursement		Remuneration		Purchase	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Mr. Lakhvinder Singh	-	-	170,894	16,042	1,128,727	110,711	-	-
Mr. Shailendra Kumar	-	-	-	62,291	-	829,346	-	-
Smt. Sarita Devi	500	-	500	-	-	-	91,544	238,417
Smt. Poonam	-	1,000	-	1,000	-	-	-	659
Smt. Raj Kumari	1,000	2,500	1,000	3,100	-	-	-	-
Smt. Rina	-	1,000	-	1,000	-	-	-	2,362
Smt. Reeta Devi	-	500	-	500	-	-	-	-
Smt. Sanjana Devi	-	1,000	-	1,000	-	-	-	1,382
Smt. Sushila Devi	500	-	500	-	-	-	142,730	201,503
Smt. Shakuntala Devi	-	500	-	500	-	-	-	-
Smt. Savitri	1,500	1,500	1,500	2,100	-	-	20,425	55,681
Smt Savitri Devi	1,500	2,500	1,500	3,100	-	-	18,974	33,085
Smt. Anara Devi	1,500	2,000	1,500	2,600	-	-	99,926	57,008
Smt. Manju Saroj	500	1,000	500	1,600	-	-	74,733	160,583
Smt Usha Devi	1,000	1,500	1,000	2,100	-	-	154,204	16,792
	8,000	15,000	178,894	96,933	1,128,727	940,057	602,536	767,473

\* Amount of sitting fee and reimbursement of expenses mentioned above is exclusive of GST paid on reverse charge basis.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

	2019-20 Rupees	2018-19 Rupees
<b>33 Details of Grants:</b>		
Details of grants received from Dairy Health and Nutrition Initiative India Foundation (DHANII) and its utilisation is as under;		
a Balance bought forward	4,930,266	5,694,109
b Received during the year	3,473,200	4,199,000
c Interest earned on Grant funds	12,432	395,278
d Utilized during the year		
- For Capital Assets (net of recoveries)	-	2,563,146
- For revenue expenses	2,447,499	2,794,975
Less: unpaid liabilities	226,739	2,220,760
Total utilized	<u>2,220,760</u>	<u>5,358,121</u>
e Refunded to DHANII	4,930,266	-
f Balance carried forward (a+b-c-d-e)	<u>1,264,872</u>	<u>4,930,266</u>

Note: Grant utilized for purchase of capital assets has been recorded as deferred grant and amount of revenue grant utilized has been recognized as Income (Note No. 2K).

**34 Impairment Loss**

There was no impairment loss on Fixed Assets on the basis of review carried out by the management in accordance with Accounting Standard '28' as at 31st March, 2020.

35 Though not confirmed by respective parties and hence not reconciled, the balance in debtors, creditors, security deposit accounts are in the opinion of the management are true and correct and realizable/ payable as the case may be to the extent shown in the ordinary course of business, minor adjustments, if any, which may be necessitated shall be made as and when confirmations are received.

36 Figures have been rounded off to the nearest rupee, which may have given rise to minor discrepancies between total and the constituent figures, which may be ignored.

37 The figures of previous year have been rearranged/ regrouped to make them comparable with figures of current year.

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For and on behalf of the Board

Lakhvinder Singh  
Director & CE  
DIN:08421902

Savitri  
Director  
DIN:07736255

Anara Devi  
Director  
DIN:08180062

Nikhil Agarwal  
Company Secretary  
M.No.A38589

Pratapgarh: