



BAPUDHAM MILK PRODUCER COMPANY LIMITED

CIN: U01110BR2017PTC034288

Regd Office: "Ujjawal Complex", Chandmari Chowk, (in front of Indian Oil Petrol Pump) Motihari Balua Tal, Ps.- Motihari, Dist.- East Champaran, Bihar-845401

Tel +91 9065526302

Email: info@bapudhammilk.com

DIRECTORS' REPORT

**TO THE MEMBERS OF
BAPUDHAM MILK PRODUCER COMPANY LIMITED**

The Directors are pleased to present before you their third annual report on the operations of the Company along with the Audited Accounts of Bapudham Milk Producer Company Limited ('Company') for the year ended 31st March 2019.

FINANCIAL RESULTS: -

The Company's financial performance, for the period ended March 31, 2019 is summarised below:

Particulars	For the year ended on 31 st March 2019 (Amount in Rs.)	For the year ended on 31 st March 2018 (Amount in Rs.)
Revenue From Operations	76,47,45,851	17,32,97,188
Other Income	27,35,861	9,75,302
Total Income	76,74,81,712	17,42,72,490
Expenditure including material cost	76,54,63,841	16,24,49,076
Profit/(loss) for the period before tax	20,17,871	1,18,23,414
Provision for Taxation	18,93,992	31,10,805
Profit/(loss) for the period after tax	1,23,879	87,12,608

STATEMENT OF THE COMPANY'S AFFAIRS:-

The Company during the period has achieved total income of Rs.76,74,81,712/-, comprising of operational revenues amounting to Rs.76,47,45,851/- and other income amounting to Rs.27,35,861/- as compared to the previous financial year i.e. Rs.17,42,72,490. The total expenses incurred during the period amounting to



Rs.76,54,63,841/- as compared to Rs.16,24,49,076/- against the previous year. The Company has made profit of Rs.20,17,871/- during 2018-19 as against Rs.1,18,23,414 for the last year.

DIVIDEND

The Company is proposed to distribute dividend of Rs.7/- per shares to the shareholders' subject to approval in ensuing Annual General Meeting.

TRANSFER TO GENERAL RESERVE

Company has transferred Rs.1,23,879/- in General Reserve.

REVIEW OF OPERATIONS:-

MILK PROCUREMENT:

The Company's milk procurement operations are extended to East Champaran, West Champaran and Gopalganj district of Bihar and cover therein 1250 MPPs in 1000 villages as on 31st March 2019 under 31 BMC locations (Bulk Milk Cooler) having Chilling capacity of 1,50,000 kl. During the year, the Company has procured 15719549/- liters of raw milk.

As regards procurement prices, the Company continues to pay competitive prices to its members towards the milk being supplied by them.

The Company is continuously endeavoring 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:

Quality Assurance Department of BMPCL has planned and designed a robust quality system through- out the Dairy Value Chain from milking to the customer for Milk production, process and related services.

A. Quality Assurance efforts in the Dairy Value Chain (existing set-up MPP –BMC-Chilling- Disposal);

Production of fresh and Clean Milk

Clean milk production at village level is assured by providing training to the milk producers. Relevant SOPs are developed for collecting milk from farmers to Milk Pooling Point (MPP) and for dispatching milk to BMCs/MCCs from MPPs. Further appropriate trainings are provided to Sahayak and field staff for collecting good quality of milk.

Education and training programs are put in place to achieve desired results. 19506 farmers out of 30,000 are educated on Clean Milk Production.



Putting Quality Assurance is in Place

Raw milk from MPPs are received strictly as per SOPs at BMCs. BMCs are well equipped with testing facilities as per testing and analysis plan. Hands on trainings on analysis and operations are provided to the BMC staff (Chemist, BMC Incharge etc.). The tests are designed to ensure that milk products meet requirement of customer as well FSSAI standards for Physical, Chemical, microbial and contaminants. People involved in this area is periodically trained on milk quality aspects and legal requirement and also technical support is provided from time to time.

With an objective to improve quality of raw milk, more focus is given to cleaning and sanitization at BMC so that MBRT of milk improves to the level of 100-120 minutes.

Designing and developing hygienic Infrastructure: -

MILK POOLING POINT

Milk pooling points are developed and equipped as per standard requirements in SOP. Milk collection accessories such as DPMCU, Milk Analyzer, weighing balance, milk bucket, SS strainer etc. are provided at each MPP. Routine calibration of analyzers and weighing balances are performed as per calibration plan and SOP.

Milk is received at MPP as per the scheduled time. Inward transport vehicle receives milk as per their scheduled timings. No milk is received from plastic utensil by any pourer. Milk quality and quantity is assured by Sahayak to Transporter during collection and transportation for which proper records are maintained. Composite and dispatch report of milk received from farmers is generated and handed over to transporter by Sahayak thus accountability and traceability is maintained.

Also, system has been implemented for handing-over of milk from MPP to transporter who in turn make the same milk reach within three hours at BMC (Bulk Milk Cooling) Unit.

Milk delivered to BMC has to be tested for organoleptic quality. FAT / SNF testing is done with DPMCU (Data processing milk collection unit). Milk analysis including tests for adulteration, during pouring by pourer and during dispatch to BMC are governed by SOP to ensure good quality milk with traceability. All records/ information are maintained.

CHILLING AND DISPATCH OF MILK

Bulk Milk Cooler facilities have been developed as per standard approved layout with hygienic design. Selection of site have been finalized by a team comprising of QA, DVC, IT and Legal against the set criteria.

As of now 32 BMCs from small to medium-sized are installed having capacities that ranges from 1000 to 5000 liters.



Milk received from MPP is cooled down as soon as possible below 4 °C after it arrives at the BMC in the morning and evening. This cooling requires considerable use of energy, suitable compressor system equipment and insulated storage tanks designed specifically for milk. There are several ways of satisfying these requirements and these should be examined, bearing in mind the need to minimize operating costs related to cooling.

Milk chilled at BMC is transported to Processing plant of Mother Dairy for further disposal in the market.

B. Quality aspects for new set-up BMC-MPP (Site Selection-Lay-out Design-Construction-SOP-Capacity)

BMCS SITE SELECTION CRITERIA:

New BMCs are developed following strict norm / criteria that ensures BMCs are in a suitable locality, have good accessibility, near to State electricity grid, having good and potable quality of ground water, a good drainage etc.

BMCS BUILDINGS ESTABLISHMENT CRITERIA

Considerable care is taken for construction of building through well designed layout for BMC that acts as an enabler to basic hygienic condition, GMP and GHP.

WASTE WATER TREATMENT PLANT INSTALLATION AT BMCS

Waste water treatment is the process of removing contaminants from BMCs waste water, containing mainly household sewage plus some industrial waste water. Physical, chemical, and biological processes are used to remove contaminants and produce treated waste water (or treated effluent) that is safe enough for releasing into the environment. A by-product of sewage treatment is a semi-solid waste or slurry, called sewage sludge. The sludge has to undergo further treatment before being suitable for disposal or application to land. To comply the requirement of “Water and Air Prevention and Control of Pollution Act 1974 and 1981” respectively and governed by Central and State Pollution Control Board, we are planning to equip all the functional BMCs (5KL and above) with Effluent Treatment Plant (ETP).

C. Legal Regime and compliances - FSSAI, LEGAL METROLOGY and Pollution Control Board - COMPLIANCE STATUS

QA Department ensures timely obtaining and renewal of FSSAI License and Consent from Pollution Control Board (PCB) for BMPCL and all functional BMC, Legal Metrology license for weighing balance.

PRODUCER INSTITUTION BUILDING (PIB):

PIB ensures implementation of membership enrolment activities of the Company. During the financial year, company enrolled **35,654** members, out of which **26,420**



have emerged as active 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.

PIB focuses on Educating and sensitizing members about their roles and responsibilities apart from spreading information about various activities relating to members of the Company. Bapudham conducted “Producer Awareness Program” covering **19,514** Producers/members in three districts of Bihar. In addition, **19,506** producers/members were educated under ‘Awareness program on Quality and Clean Milk Production’. Further, under ‘Women Awareness Program’ **16,250** women milk producers were covered. In order to promote dairy business, **400** Youth were covered under “Rural Youth Awareness Program”. Educating school children about benefits of milk was also emphasized and **400** school children were covered for “Rural School Children Awareness Program”. Being a producer company, governed by its producer members, “Leadership Development Program” was conducted for **100** members in order to develop their skills in line with progressive dimension of organization. Focus of these Educational/Awareness programs was to encourage members to come forward and actively participate in Dairy activities resulting in higher return with enhanced milk quality. These programs helped in creating awareness about roles and responsibilities as members of the company.

The Company also conducted ‘Refresher Trainers Training Program’ in which **40** members were trained with a view to undertake village level awareness programs for producer members.

An Exposure visit was organized at Asha MMPCL, Pali (Rajasthan) for BoD’s and at Saahaj MPC, Agra (Uttar Pradesh) for PIB and Procurement Executives.

In order to establish Appropriate mechanism for member communication and grievance redressal, **5000** VCG (Village Contact Group) members and **1000** MRG (Member Relation Group) members at village and BMC level respectively, were identified and oriented. Help Line No. (9065526302) has been establish at HO level for direct handling of field level grievances.

Moving further, “Business Orientation Workshop” was conducted for producer directors of the company. This workshop helped directors in understanding their roles and responsibilities and adopting the Values, Mission and Vision statements for the Company.

MPCs Core Design Principles:

Core Design Principles were strictly observed. Business dealings were restricted only with members. Active user membership & their participation in business and governance were encouraged. Majority of the active members have fulfilled the matching share capital contribution during the year.

Training & Capacity Building Programs:



Major training programs conducted during the year 2018-19 were: -

Sl. No.	Programs Conducted	Nos. of Programs Conducted	Nos. of Participants Covered
1	IB Trainers Training Program	01	20
2	IB Orientation Program	01	38
3	Business Orientation Workshop for BoDs	01	5
4	Governance Strategy Workshop for BoDs	01	5
5	Producer Awareness Program	398	19,514
6	Women Awareness Program	376	16,250
7	Clean Milk Production	427	19,506
8	Awareness Program for Rural Youth	12	400
9	Awareness/Competition for Children	08	400
10	MRG Orientation Program	34	1,000
11	Exposure Visit for BODs	01	8
12	Pre Board Training (Leadership Development)	04	100
13	VCG Orientation program	99	5,000
14	Exposure visit (India) - PIB and Procurement	01	20

MATERIAL CHANGES AFTER CLOSURE OF FINANCIAL YEAR:-

There is no material/substantial change after the closure of financial year ended 31.03.2019.

CHANGE IN NATURE OF BUSINESS:-

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



SHARE CAPITAL AND MEMBERSHIP:-

As at March 31, 2019, the paid up share capital was Rs.1,89,25,100/- comprising of 32,208 members.

VOTING RIGHTS AND ATTENDANCE AT ANNUAL GENERAL MEETING (AGM):-

Every member shall have single vote, provided that the member has poured for at least 200 days totaling to at least 500 liters during the Financial year 2018-19.

BOARD OF DIRECTORS:-

During the year under review Smt. Pratibha Devi, Smt. Anita Kumari, Shri Raj Kishor Kumar and Shri Lalit Kumar have been appointed as Additional Directors of the Company w.e.f. 24th December, 2018.

In terms of Article 9.6 of the Articles of Association of the Company, Smt. Kumkum Kumari being longest in office shall retire at the ensuing AGM and being eligible, offer herself for re-appointment.

During the year, Shri Santosh Kumar, Shri Ajay Kumar, Shri Vikram Kumar and Shri Ranjeetkumar Singh resigned from the directorship.

Shri Mariappan Ramarathinasamy and Shri Sajal Biswas were appointed as expert directors in the company w.e.f. 1st July, 2019

TRAINING OF BOARD MEMBERS:-

During the report period, the directors have been imparted training on Directors Skill Building and Business Orientation Programme. Also an interface workshop between Board of Directors and Senior management of the Company was organized to understand together the objective of the Company.

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 31st March, 2019 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 Auditors of the Company, M/s. S.B. Billimoria & Co, Gurugram, Haryana, Chartered Accountants, (Firm Registration No. 101496W), retire at the ensuing Third AGM, and have confirmed their eligibility and willingness to accept office, if re-appointed.

The Board of Directors recommends the re-appointment of M/s. S.B. Billimoria & Co, Chartered Accountants, Gurugram, Haryana as the 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 by the external firm of Chartered Accountants viz., Ernst & Young LLP (E & Y), Chartered Accountants. E & Y, 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.

Your Human Resources Department works for both the people who works for the company or organization and the department responsible for managing resources related to employees when notions such as motivation, organizational behaviour, and selection assessments began to take shape.

Human resource management involves overseeing all things related to managing the organization's human capital.

The Vision, Mission and Values (VMV) of the Company are being followed in true letter and spirit across all the levels of organization, for sustaining the long term growth of the Company.



INFORMATION TECHNOLOGY: -

The role of ICT (Information and Communication Technology) in managing resources, enhancing efficiency and productivity, establishing effective ICT enabled processes for maintaining transparent transactions and access to business intelligence in the Producer Company becomes very important in the complexity of the value chain.

Various ICT projects have been initiated by Bapudham Milk Producer Company Limited to support business as part of their long term IT strategy.

ERP System

Bapudham Milk Producer Company Limited has implemented SAP ERP (Enterprise Resource Planning) system from 1st January 2019, platform for seamless integration of operations and information through Enterprise solutions.

ERP system enable us to manage their operations and allow the different departments to seamlessly share information with each other. It improves the product planning processes; have centralized data across functions for better efficiency, costs and inventory management system in place.

Now, IT system ensures that the data regarding quantity, fat and SNF (solids-not-fat) of the milk supplied by the producers is transmitted online from the Milk Pooling Point to the central server, based on which the member payment is automatically calculated from ERP system and the amount is transferred to the member's Bank account without any manual intervention.

Data Centre

Data Centre is an essential part to run ERP system more efficiently and secure. IT team of Bapudham jointly with the help of NDS IT team has designed and co-hosted data centre at CtrlS Data Centres Limited which is run and managed by professional. The Data Centre provides all ERP Hardware and Software requirement with 24 x 7 supports to Bapudham.

Milk Collection Application

Bapudham Milk Producer Company has implemented milk collection application to automate milk collection process in the field. Application has features to capture milk procurement data from MPP and BMC and moves data automatically in SAP system to process member's payment.

The application has also helped in **automation at MPP & BMC level** like milk is collected only from registered members, data gets updated in DPU (Data Processing Unit) without manual intervention and RMRD (Raw Milk Reception at Dock) milk data gets updated automatically in Milk Collection Application.



Membership Management - The IT system processes all membership-related transactions like MPC membership, allocation of shares, share capital deductions, cancellation and transfer of shares, incentives to members, etc. It maintains a database of members including information on the animal holding in addition to their personal and biometric information. The system enables timely monitoring of whether the member fulfils the criteria for continuation of membership.

Services for Members - The system captures purchase of various inputs like cattle feed, mineral mixture, Dewarmer etc. by the members from the MPC. It automatically deducts the cost of these services and inputs from the member's milk payment.

Milk Supply by Members - The Milk Pooling Point (MPP) is fully automated. The quantity of milk supplied is measured by an electronic weighing scale and the quality by an electronic milk analyser. The information thus captured is directly analysed by a data processor to calculate the value of the milk supplied. This data is immediately communicated to the members.

The IT system updates member data and the milk rate chart in the data processors at all the MPPs ensuring that milk is collected only from members.

Website for Bapudham MPCL – We have developed website for Bapudham MPCL. Company's Website help in improving business credibility, enhance online presence etc. Our Website is www.bapudhammilk.com.

Other IT Infrastructure Projects

GPRS (General Packet Radio Service) - Implementation of GPRS at MPP is under process. This would lead to following advantages.

- Enable Milk Data transfer from MPP to Central server in real time.

- Enable to transfer Milk Pricing & Member Data from Central Server to MPP DPMCU

Transparency – We have implemented Centralized Helpdesk Facilities for Complaint Registration. We are sending milk payment cycle wise detail through SMS to Milk Pouring Members.

We are also working on various features like instant registration of new member application, facilitate member to view their statement through Android Application or company's website and receive indent directly from members through android application.

PRODUCTIVITY ENHANCEMENT SERVICES

Bapudham MPC is providing quality animal nutrition inputs to its producer members under brand name "Bapudham Feed" at price competitive to other cattle feeds available in market. Presently, three products viz. 'Bapudham Feed (BIS Type II)' in 50kg bag



(contains 1KG ASMM inside), 'Bapudham Min' "Bihar Specific Mineral Mixture" and "Oxfenvet" a Dewormer (bolous) have been made available through its network. Products are being outsourced through reputed suppliers after thorough scrutiny and under strict quality control by Bapudham MPC.

Speciality of Input Products-

As compared to other products available in market, "Bapudham Feed" and "Bapudham Min" are different. The Bapudham feed is Urea free. Urea, which is a cheaper source of nitrogen is being in commercial cattle feeds available in market at cheaper rates. Various researches shows adverse impact of urea feeding on reproduction ability of animals, leading to anestrus, repeat breeding and infertility. That's why our company provides some cattle feed with pure protein content (without Urea). Further, Bapudham Min is a chelated mineral Amino acid complex, which makes it readily absorbable in intestine of animals in comparison to other non-chelated mineral mixture products.

"Oxfenvet" (Dewormer) which contains Oxfendazole, (2200 mg in each Bolus) is a broad spectrum Benzimidazole anthelmintic. It's dosing in pregnant animals is recognized as safe.

Mode of Availability to Farmers-

This facility is available to "Bapudham MPCL" members under "Payment deduction from Milk Payment", so there is no need to pay in cash. For members/non-members, "POS machine" facility is also available on BMCs where they can purchase various inputs by swapping their Debit/Credit cards. All three input facilities are available at all functional BMCs area.

PARTICULARS OF EMPLOYEES:-

During the year under report, none of the employees of the Company was 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.

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

The Company is in the business of trading in milk and milk products. However, the Company has taken all steps necessary for conservation of energy and has been sensitive in making progress towards this initiative. Administrative and office operations are conducted in the manner whereby optimum utilization and maximum possible saving of energy is achieved. Further no specific technology is involved in the business



activities of Company. Further foreign exchange earnings and outgo are nil during the year under review.

MEETINGS: -

During the financial year 2018-19, Five (5) meetings of Board of Directors of the Company were duly convened and held on 18.06.2018, 06.09.2018, 25.09.2018, 07.12.2018 and 15.03.2019.

AUDITOR'S REPORT:-

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments.

RISK MANAGEMENT POLICY: -

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 2018-19.

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, Government of Bihar, 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 NDDB, Mother Dairy and NDDB 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: 09.09.2019
Place: Motihari, Bihar

Kumkum Kumari
Chairman



INDEPENDENT AUDITOR'S REPORT

To The Members of BAPUDHAM MILK PRODUCER COMPANY LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BAPUDHAM MILK PRODUCER COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 Standards and other accounting principles generally accepted in India. This responsibility also 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; 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 standalone financial statement 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 standalone 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 standalone 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 financial control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, the Statement of Profit and Loss including the 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 Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 581ZG of the Part IXA of the Companies Act, 1956 (in terms of section 465 of the Companies Act, 2013, provisions of part IXA of the Companies Act are applicable to a producer company in a manner as if the Companies Act, 1956 has not been repealed), we give in the "Annexure B" a statement on the matters specified in that Section.

For S. B. BILLIMORIA & CO.
Chartered Accountants
(Registration No. 101496W)

Place: Gurugram
Date : 09 September, 2019

Jitendra Agarwal
Partner
(Membership No. 87104)



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its plant, property and equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the plant, property and equipment.
 - b. The plant, property and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the plant, property and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) 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.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause 3(v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:



- a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the operations of the Company during the year did not give rise to any liability for Customs Duty and Excise Duty.
 - b. There are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Customs Duty, Excise Duty, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.
 - c. There are no dues of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Customs Duty, Excise Duty, Goods and Services Tax, Cess as on 31 March, 2019
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan from financial institutions and it has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) The Company is a private company and hence the provisions of section 177 and section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.



- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S. B. BILLIMORIA & CO.

Chartered Accountants
(Registration No. 101496W)

Place: Gurugram
Date : 09 September, 2019

Jitendra Agarwal
Partner
(Membership No. 87104)



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date)

- i. The amount of debts due from sale of goods and services are as disclosed in note 17 to the financial statements. According to the information and explanations given to us no debts are considered as doubtful of recovery.
- ii. According to the information and explanations given to us, cash on hand as at year-end has been physically verified by the management and no discrepancies were noticed on such verification. According to the information and explanations given to us, the Company does not hold any investment securities.
- iii. The details of assets and liabilities as at 31 March, 2019 are as per the financial statements of the Company as at and for the year ended 31 March, 2019.
- iv. In our opinion and according to the information and explanations given to us, the Company has not done any transaction which appears to be contrary to the provisions of part IXA of the Companies Act, 1956.
- v. According to the information and explanations given to us, the Company has not granted any loan to its directors.
- vi. According to the information and explanations given to us, the Company has not given any donations or subscriptions during the year.

For S. B. BILLIMORIA & CO.
Chartered Accountants
(Registration No. 101496W)

Place: Gurugram
Date : 09 September, 2019

Jitendra Agarwal
Partner
(Membership No. 87104)

BAPUDHAM MILK PRODUCER COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH, 2019

	Note No.	As at 31 March, 2019	As at 31 March, 2018
		Rupees	Rupees
A. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share capital	3	189,25,100	44,07,800
(b) Reserves and surplus	4	84,11,380	87,12,608
		<u>273,36,480</u>	<u>131,20,408</u>
2. Share application money pending allotment		33,13,600	13,68,200
3. Deferred grant	5	1046,49,219	246,92,903
4. Non - Current Liabilities			
(a) Long - term borrowings	6	618,75,000	150,00,000
(b) Deferred tax liabilities (net)	7	11,84,027	1,10,805
(c) Long - term provisions	8	19,32,874	4,74,955
(d) Other long-term liabilities	9	194,27,402	46,52,174
		<u>844,19,304</u>	<u>202,37,935</u>
5. Current Liabilities			
(a) Short term borrowings	10	2087,79,817	905,85,877
(b) Trade payables	11	-	-
(i) Total outstanding dues of micro and small enterprises			
(ii) Total outstanding dues of creditors other than micro and small enterprises		511,58,381	193,57,427
(c) Other current liabilities	12	1387,97,660	992,83,616
(d) Short - term provisions	13	56,624	19,81,590
		<u>3987,92,481</u>	<u>2112,08,510</u>
Total		<u>6185,11,083</u>	<u>2706,27,955</u>
B. ASSETS			
1. Non - Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	14A	1867,44,723	642,51,664
(ii) Intangible assets	14B	166,87,997	12,33,437
(iii) Capital work-in-progress		283,44,982	298,27,514
		<u>2317,77,702</u>	<u>953,12,615</u>
(b) Long - term loans and advances	15	10,38,919	23,600
		<u>2328,16,621</u>	<u>953,36,215</u>
2. Current Assets			
(a) Inventories	16	92,98,899	65,04,435
(b) Trade receivables	17	2644,18,787	1169,89,290
(c) Cash and bank balances	18	1074,31,180	509,60,802
(d) Short - term loans and advances	19	41,98,579	6,64,319
(e) Other current assets	20	3,47,017	1,72,894
		<u>3856,94,462</u>	<u>1752,91,740</u>
Total		<u>6185,11,083</u>	<u>2706,27,955</u>

See accompanying notes forming part of the financial statements

In term of our report attached

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Kumkum Kumari
Director

Sd/-
Sandeep Kumar
Director & Chief Executive

Sd/-
Prabhunath Dubey
Director

Sd/-
Shriman Narayan Pandey
Company Secretary

Place: 09.09.2019
Date: Gurugram

Place: Motihari
Date: 09.09.2019

BAPUDHAM MILK PRODUCER COMPANY LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2019

	Note No.	For the year ended 31 March, 2019	For the period ended 31 March, 2018
		Rupees	Rupees
1. Revenue from operations	21	7647,45,851	1732,97,188
2. Other income	22	27,35,861	9,75,302
3. Total revenue (1+2)		7674,81,712	1742,72,490
4. EXPENSES			
(a) Purchases of stock in trade	23	6178,01,742	1401,14,296
(b) Changes in inventories of stock-in-trade	24	2,59,633	(60,41,897)
(c) Employee benefits expense	25	529,48,034	136,24,433
(d) Finance costs	26	119,43,562	10,67,784
(e) Depreciation and amortisation expense	14	118,82,348	27,68,010
(f) Other expenses	27	706,28,523	109,16,450
Total expenses		7654,63,841	1624,49,076
5. Profit before tax (3-4)		20,17,871	118,23,414
6. Tax expense:			
(a) Current tax		3,88,238	30,00,000
(b) MAT Credit Entitlement		(3,88,238)	-
(c) Short provision for tax related to earlier year		8,20,770	-
(d) Deferred tax credit / (charge)	7	10,73,222	1,10,805
Net tax expense		18,93,992	31,10,805
7. Profit for the year (5-6)		1,23,879	87,12,608
8. Earnings per equity share:	31		
(Nominal value Rs. 100 per share)			
(a) Basic		1.50	1,390.12
(b) Diluted		1.47	1,381.60

See accompanying notes forming part of the financial statements

In term of our report attached

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Kumkum Kumari
Director

Sd/-
Prabhunath Dubey
Director

Sd/-
Sandeep Kumar
Director & Chief Executive

Sd/-
Shriman Narayan Pandey
Company Secretary

Place: Gurugram
Date: 09.09.2019

Place: Motihari
Date: 09.09.2019

BAPUDHAM MILK PRODUCER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

	For the year ended 31 March, 2019	For the period ended 31 March, 2018
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	20,17,871	118,23,414
Adjustments For :		
Finance costs	117,41,586	9,12,978
Interest income	(5,76,610)	(1,95,090)
Interest on delayed payment of income tax	2,01,976	1,37,521
Provision for employee benefits	15,00,355	4,89,143
Depreciation and amortization expense	118,82,348	27,68,010
Operating Profit before working capital changes	267,67,525	159,35,975
Adjustments for movement in working capital:		
Increase in inventories	(27,94,464)	(65,04,435)
Increase in trade receivables	(1474,29,497)	(1169,89,290)
Decrease / (Increase) in other current assets	2,468	(2,468)
Increase in long term loans and advances	(84,500)	(23,600)
Increase in short term loans and advances	(35,34,260)	(6,64,319)
Increase in other long term liabilities	147,75,228	46,52,174
Increase in trade payables	318,00,954	193,57,427
Decrease / (Increase) in other current liabilities	113,98,598	341,73,563
Cash used in operations	(690,97,948)	(500,64,972)
Net income taxes (paid)/refund	(39,20,967)	(11,70,119)
Net cash flow from / (used in) operating activities (A)	(730,18,915)	(512,35,091)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Increase in bank balances not considered as cash and cash equivalents	(135,01,440)	(145,00,000)
Capital expenditure on property, plant and equipments (net of capital grant received)	(572,53,143)	(91,90,648)
Interest received	4,00,019	24,663
Net cash flow from / (used in) investing activities (B)	(703,54,563)	(236,65,985)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital	131,49,100	44,07,800
Share application money received	33,13,600	13,68,200
Proceeds from long term borrowings	600,00,000	150,00,000
Interest paid	(78,89,117)	-
Net increase in working capital borrowings	1181,93,940	905,85,877
Dividend Paid including dividend tax	(4,25,107)	-
Net cash flow from / (used in) financing activities (C)	1863,42,416	1113,61,877
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	429,68,938	364,60,802
Cash and cash equivalents at beginning of the period	364,60,802	-
Cash and cash equivalents at the end of the period	794,29,740	364,60,802
Components of Cash and cash equivalents as at:		
Balances with banks:		
in current accounts	794,29,740	364,60,802
Cash and cash equivalents as per Cash Flow Statement	794,29,740	364,60,802
Add: Bank balances not considered as Cash and cash equivalent	280,01,440	145,00,000
Cash and bank balances as per Balance Sheet (Note 18)	1074,31,180	509,60,802

See accompanying notes forming part of the financial statements

In term of our report attached

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Kumkum Kumari
Director

Sd/-
Sandeep Kumar
Director & Chief Executive

Sd/-
Prabhunath Dubey
Director

Sd/-
Shriman Narayan Pandey
Company Secretary

Place: Gurugram
Date: 09.09.2019

Place: Motihari
Date: 09.09.2019

BAPUDHAM MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

1. Corporate information

Bapudham Milk Producer Company Limited ("the Company") was incorporated on 12 April, 2017 under Part IXA of the Companies Act, 1956.

The Company procures milk directly from milk producers through 'Milk Pooling Points' (MPP) in villages of Bihar and sells to various dairies. The Company also trades in cattle feed.

2. Significant accounting policies

The significant accounting policies are as follows:

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 2013 Act") / Companies Act, 1956 ("the 1956 Act") as applicable. MCA has clarified that the provisions of part IXA of the Companies Act, 1956 shall be applicable to a producer company in the manner as if the Companies Act, 1956 has not been repealed. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts 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 the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which results are known / materialize.

c. Cash and cash equivalents (for the purposes 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 months 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.

d. Cash flow statement

Cash flows are reported using the indirect method, 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.

BAPUDHAM MILK PRODUCER COMPANY LIMITED

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 is recognized on accrual basis.

g. Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other 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 and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on Property, plant and equipment after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previous assessed standard of performance.

Intangible assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life.

h. Capital work-in-progress

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

i. Depreciation and amortisation

Depreciation on property, plant and equipments & intangible assets has been provided on straight line method as per the useful life of the assets assessed as under based on technical advice, taking into account the nature of asset, the estimated usage of assets, the operating condition of the asset, past history of replacements, anticipated technological changes, manufactured warranties and maintenance support etc.

BAPUDHAM MILK PRODUCER COMPANY LIMITED

The useful life considered for charging depreciation is as follows:

Description	Useful life (in years)
Plant and equipment	4 - 10
Office Equipment	5
Furniture and fixtures	5 -10
Computer (including software)	3-6

Depreciation is provided pro-rata from the date of addition.

Leasehold improvements are depreciated over the lower of the lease period and the management estimate of the useful life of the asset.

All assets costing Rs. 5,000 or less individually are fully depreciated in the year of capitalisation.

j. Inventories

Inventories comprise finished goods and stores and spares. Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined using weighted average method. Cost includes all charges incurred in bringing the inventories to their present location and condition. Finished goods include appropriate proportion of overheads.

k. Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants related to depreciable fixed assets 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 government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis and are deducted in reporting the related expense.

l. Employee benefits

Employee benefits include Provident Fund, Employee State Insurance scheme, Gratuity and compensated absences.

a. Defined contribution plans

BAPUDHAM MILK PRODUCER COMPANY LIMITED

The Company's contributions to Provident Fund and Employees State Insurance scheme 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 is considered as defined benefit plan. Gratuity is provided based on actuarial valuation carried out at the balance sheet date. The incremental liability based on an actuarial valuation as per the 'Projected Unit Credit' 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 benefit includes 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 recognized 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. Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

n. Taxes on income

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences; 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences.

BAPUDHAM MILK PRODUCER COMPANY LIMITED

Deferred tax assets are recognized 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 against 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 a legal enforceable right for such set off.

o. Borrowing cost

Borrowing costs includes interest and ancillary costs incurred. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset, pertaining to the period from commencement of activities relating to construction/development of qualifying asset upto the date of capitalization of such asset, are capitalized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

p. Impairment of assets

At each balance sheet date, the Company reviews the carrying values 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 asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the 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 pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized as income in the statement of profit and loss.

q. Provisions and contingencies

A provision is recognized when the Company has present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Assets are not recognized in the financial statements. Contingent liabilities are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

BAPUDHAM MILK PRODUCER COMPANY LIMITED

r. Leases

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

s. Material events

Material adjusting events occurring after the Balance Sheet date are taken into cognizance.

t. 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.

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 3: Share Capital

	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
(a) Authorised share capital				
Equity Shares of Rs. 100 each	5,00,000	500,00,000	5,00,000	500,00,000
(b) Issued, subscribed and fully Paid up share capital				
Equity Shares of Rs. 100 each	1,89,251	189,25,100	44,078	44,07,800

See notes (i) to (iii) below

Notes:

(i) Rights, preferences and restrictions attached to shares

The Company has issued one class of equity shares having face value of Rs. 100 each. Each member is entitled to one vote. Members are entitled to limited return (Dividend) and bonus in accordance with Article of Association of the Company.

(ii) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year/period:

	As at and for the year ended 31 March, 2019		As at and for the period ended 31 March, 2018	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
Shares outstanding at the beginning of the year/ period	44,078	44,07,800		
Shares issued during the year /period (net of shares cancelled and reissued during the year / period)	1,45,173	145,17,300	44,078	44,07,800
Shares outstanding at the end of the year/ period	1,89,251	189,25,100	44,078	44,07,800

(iii) 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.

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Note 4: Reserves and surplus		
(a) General reserve		
Opening balance	82,87,478	
Transferred from surplus in Statement of Profit and Loss	-	82,87,478
Closing balance	<u>82,87,478</u>	<u>82,87,478</u>
(b) Surplus in Statement of Profit and Loss		
Opening balance	4,25,130	-
Profit for the year/period	1,23,879	87,12,608
Less:		
Final limited return (dividend) to members for the period ended 31 March 2018 (Rs. 8/- per share)	3,52,624	-
Tax on above limited return (dividend)	72,483	-
Transferred to General reserve	-	82,87,478
Closing balance	<u>1,23,901</u>	<u>4,25,130</u>
	<u>84,11,380</u>	<u>87,12,608</u>
Note 5: Deferred grant		
Opening : Deferred Grant	246,92,903	-
Capital Grant utilised during the period (see note 32)	932,93,399	249,07,076
Less: Depreciation pertaining to assets acquired from capital grant (see note 14)	<u>133,37,083</u>	<u>2,14,173</u>
Closing balance	<u>1046,49,219</u>	<u>246,92,903</u>
Note 6: Long-term borrowings		
Unsecured		
(a) Term loan		
(i) from others	750,00,000	150,00,000
Less: Current maturity of long term borrowings (Refer Note 12(f))	<u>131,25,000</u>	-
	618,75,000	150,00,000
	<u>618,75,000</u>	<u>150,00,000</u>
The term loan of Rs. 10,50,00,000 is sanctioned by Mother Dairy Fruit & Vegetable Private Limited. The loan carries interest @7.50% per annum and is repayable in 8 annual installments within a period of 10 years with a moratorium period of 2 years on principal repayment from deemed date of release of loan i.e. the date of first disbursement.		
Note 7: Deferred tax liabilities (net)		
(a) Tax effect of items constituting deferred tax liabilities:		
(i) On difference between book balance and tax balance of property, plant and equipments	19,74,317	9,78,235
(b) Tax effect of items constituting deferred tax assets:		
(i) Provision for compensated absences and gratuity	5,17,269	1,27,177
(ii) Disallowances under section 35D of the Income Tax Act	1,01,715	1,35,621
(iii) Others	<u>1,71,306</u>	<u>6,04,632</u>
	7,90,290	8,67,430
Net deferred tax liability	<u>11,84,027</u>	<u>1,10,805</u>

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 8: Long-term provisions

(a) Provision for employee benefits		
(i) For gratuity	7,99,429	1,75,387
(ii) For compensated balances	11,33,445	2,99,568
	19,32,874	4,74,955

Note 9: Other long-term liabilities

(a) Trade/security deposits received	194,27,402	46,52,174
	194,27,402	46,52,174

Note 10: Short-term borrowings

(a) Unsecured loan		
(i) Bill discounting facility	2087,79,817	905,85,877
	2087,79,817	905,85,877

Note 11: Trade payables

(a) Trade Payables (other than acceptances) (see note 34)	511,58,381	193,57,427
	511,58,381	193,57,427

Note 12: Other current liabilities

(a) Application money received for allotment of securities and due for refund	1,55,705	15,486
(b) Interest accrued but not due on borrowings	47,65,447	9,12,978
(c) Grant received (net of utilisation) (see note 32)	432,91,392	331,41,432
(d) Statutory dues (Contribution to PF,TDS, GST etc.)	21,23,625	10,16,645
(e) Payable for purchase of property, plant and equipment	753,35,051	641,97,074
(f) Current maturity of long term borrowings (Refer Note-6)	131,25,000	-
(g) Unclaimed/ Unpaid Dividend	1,440	-
	1387,97,660	992,83,616

Note 13: Short term provisions

(a) Provision for employee benefits		
(i) For gratuity	14,974	3,285
(ii) For compensated balances	41,650	10,903
(b) Provision for income tax (net of advance tax)	-	19,67,402
	56,624	19,81,590

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 14: Property, Plant and Equipments

Amount in Rupees

	Particulars	Gross Block		Accumulated Depreciation/amortisation		Net Block	
		As at April 1, 2018	As at 31 March, 2019	As at April 1, 2018	For the year	As at 31 March, 2019	As at March 31, 2018
A	Tangible assets (owned)						
	Leasehold Improvements (Previous Period)	- (-)	43,79,620 (-)	- (-)	2,68,777 (-)	41,10,843 (-)	- (-)
	Plant and equipment (Previous Period)	629,64,046 (-)	1279,47,977 (629,64,046)	1909,12,023 (629,64,046)	138,24,342 (24,60,873)	1746,26,809 (605,03,173)	605,03,173 (-)
	Office equipment (Previous Period)	- (-)	30,51,183 (-)	- (-)	3,43,847 (-)	27,07,336 (-)	- (-)
	Furniture and fixtures (Previous Period)	20,37,299 (-)	34,18,786 (20,37,299)	54,56,085 (20,37,299)	47,50,096 (1,47,238)	5,58,751 (18,90,061)	18,90,061 (-)
	Computers (Previous Period)	21,10,009 (-)	40,83,942 (21,10,009)	61,93,951 (21,10,009)	12,01,388 (2,51,579)	47,40,984 (18,58,430)	18,58,430 (-)
	Total (A)	671,11,354 (-)	1428,81,509 (671,11,354)	2099,92,863 (671,11,354)	203,88,450 (28,59,690)	1867,44,723 (642,51,664)	642,51,664 (-)
B	Intangible assets						
	Computer software (Previous period)	13,55,929 (-)	202,85,542 (13,55,929)	216,41,471 (13,55,929)	48,30,981 (1,22,492)	166,87,997 (12,33,437)	12,33,437 (-)
	Total (B)	13,55,929 (-)	202,85,542 (13,55,929)	216,41,471 (13,55,929)	48,30,981 (1,22,492)	166,87,997 (12,33,437)	12,33,437 (-)

Notes:

(i) Depreciation and amortisation expense

	Period ended 31 March, 2019	Period ended 31 March, 2018
	Rupees	Rupees
Tangible assets	203,88,450	28,59,690
Intangible assets	48,30,981	1,22,492
Less: Depreciation pertaining to assets acquired on grant	(133,37,083)	(2,14,173)
	118,82,348	27,68,010

(ii) The details of assets purchased out of capital grant and included in the above schedule are given below:

	Assets	Gross Block		Accumulated Depreciation/amortisation		Net Block	
		As at April 1, 2018	As at 31 March, 2019	As at April 1, 2018	For the year	As at 31 March, 2019	As at March 31, 2018
(a)	Tangible assets :						
	Leasehold Improvements (Previous Period)	- (-)	37,10,521 (-)	- (-)	2,27,714 (-)	34,82,806 (-)	- (-)
	Plant and equipment (Previous Period)	81,43,403 (-)	624,40,932 (81,43,403)	705,84,335 (81,43,403)	47,10,053 (1,08,289)	657,65,994 (80,35,114)	80,35,114 (-)
	Office equipment (Previous Period)	- (-)	14,69,874 (-)	- (-)	1,19,865 (-)	13,50,009 (-)	- (-)
	Furniture and fixtures (Previous Period)	- (-)	31,51,340 (-)	- (-)	31,16,485 (-)	34,855 (-)	- (-)
	Computers (Previous Period)	- (-)	36,28,546 (-)	- (-)	3,99,046 (-)	32,29,500 (-)	- (-)
(b)	Intangible assets :						
	Computer Software (Previous Period)	12,74,096 (-)	202,09,272 (12,74,096)	214,83,368 (12,74,096)	47,63,920 (1,05,884)	166,13,564 (11,68,212)	11,68,212 (-)
	Total (a+b)	94,17,499 (-)	946,10,485 (94,17,499)	1040,27,984 (94,17,499)	133,37,083 (2,14,173)	904,76,728 (92,03,326)	92,03,326 (-)

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Note 15: Long - term loans and advances (Unsecured, considered good)		
(a) Security deposits	1,08,100	23,600
(b) Advance Income Tax (Net of provisions of Rs. 388,238)	5,42,580	-
(c) MAT Credit Entitlement	3,88,238	-
	10,38,919	23,600
Note 16: Inventories (At lower of cost and net realisable value)		
(a) Stock in trade (in transit) - Raw milk	39,01,194	51,71,067
(b) Stock-in-trade- Others	18,81,070	8,70,830
(c) Stores and spares	35,16,634	4,62,538
	92,98,898	65,04,435
Note 17: Trade receivables (Unsecured, considered good)		
(a) Trade receivables outstanding for a period more than six months from the date they were due for payment	5,04,234	-
(b) Other Trade receivables	2639,14,553	1169,89,290
	2644,18,787	1169,89,290
Note 18: Cash and bank balances		
(a) Cash and cash equivalents		
(i) Balance with banks:		
a. In current accounts	794,29,740	364,60,802
Cash and cash equivalents as per AS 3 - Cash flow statement	794,29,740	364,60,802
(b) Other bank balances		
(i) In deposit accounts (original maturity more than 3 months)	280,00,000	145,00,000
(ii) In earmarked accounts		
-Unpaid Dividend Account	1,440	-
	1074,31,180	509,60,802
Note 19: Short - term loans and advances (Unsecured, considered good)		
(a) Prepaid expenses	20,08,782	6,64,319
(b) Advance to Vendors	21,89,797	-
	41,98,579	6,64,319
Note 20: Other current assets (Unsecured, considered good)		
(a) Interest accrued but not due on bank deposits	3,47,017	1,70,426
(b) Other receivables	-	2,468
	3,47,017	1,72,894

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2019 Rupees	Period ended 31 March, 2018 Rupees
Note 21: Revenue from operations		
(a) Sale of products (see note below)	7647,45,851	1732,97,188
	7647,45,851	1732,97,188
Sale of products comprises:		
Traded goods		
a. Raw milk	7559,13,720	1725,07,973
b. Cattle feed	87,62,395	7,89,215
c. Others	69,736	-
Total	7647,45,851	1732,97,188
Note 22: Other income		
(a) Interest income:	5,76,610	1,95,090
(i) On deposits with bank		
(b) Other non-operating income		
(i) Membership fees	16,10,601	7,80,212
(ii) Miscellaneous Income	5,48,650	-
	27,35,861	9,75,302

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2019	Period ended 31 March, 2018
	Rupees	Rupees
Note 23: Purchases of traded goods		
(a) Raw Milk	6084,83,850	1385,27,422
(b) Cattle feed	93,17,892	13,01,374
(c) Others	-	2,85,500
	6178,01,742	1401,14,296
Note 24: Changes in inventories of stock-in-trade		
Decrease / (increase) in inventories of stock-in-trade		
Inventories at the beginning of the year/ period		
Stock-in-transit- Raw Milk	51,71,067	-
Stock-in-trade- Others	8,70,830	-
	60,41,897	-
Inventories at the end of the year/period		
Stock-in-transit- Raw Milk	39,01,194	51,71,067
Stock-in-trade- Others	18,81,070	8,70,830
	57,82,264	60,41,897
Net decrease / (increase) in inventories	2,59,633	(60,41,897)
Note 25: Employee benefits expense		
(a) Salaries and wages	499,31,012	127,43,624
(b) Contribution to provident and other funds	20,87,045	6,28,895
(c) Gratuity expenses	7,33,085	2,13,956
(d) Staff welfare expenses	1,96,892	37,958
	529,48,034	136,24,433

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2019	Period ended 31 March, 2018
	Rupees	Rupees
Note 26: Finance costs		
(a) Interest expense:		
(i) On term loan	28,24,316	2,12,671
(ii) On bill discounting	88,96,566	7,00,307
(b) Interest on delayed payment of statutory dues	2,22,680	1,54,806
	119,43,562	10,67,784

Note 27: Other expenses

(a) Consumption of stores and spares	25,91,703	9,46,741
(b) Power and fuel	14,63,237	10,53,114
(c) Rent	37,16,531	6,24,147
(d) Labour charges	2,73,306	4,52,371
(e) Repair and maintenance - machinery	5,12,411	1,92,070
(f) Repair and maintenance - others	3,33,242	20,470
(g) Advertisement and business promotion	20,210	21,66,158
(h) Freight, forwarding and distribution expenses	500,62,395	69,244
(i) Insurance charges	9,12,805	14,577
(j) Legal and professional fees	18,13,330	6,40,874
(k) Auditor's remuneration (refer note (i) below)	9,22,548	3,83,500
(l) Travelling and conveyance	52,72,059	17,19,576
(m) Communication expenses	9,52,566	3,30,239
(n) Preliminary expenses	-	6,52,022
(o) Miscellaneous expenses	17,82,180	16,51,347
	706,28,523	109,16,450

Note:

(i) Auditors' remuneration comprises:

a. Statutory audit fee	6,50,000	2,50,000
b. Tax audit fee	1,00,000	75,000
c. Reimbursement of expenses	31,820	-
d. GST on above	1,40,728	58,500
	9,22,548	3,83,500

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2019 Rupees	As at 31 March, 2018 Rupees
Note 28: Contingent liabilities and commitments (to the extent not provided for)		
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt :	-	-
There are no claims against the Company acknowledged as debt as on 31 March, 2019		
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	492,88,182	271,58,532

Note 29: Employee benefit plans:

Defined contribution plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has recognised Rs. 2,087,045/- (previous period Rs.628,895) for Provident Fund contribution in the statement of profit and loss.

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 employee's compensation (immediately before retirement). Commitments are actuarially determined at year-end. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

The following tables sets out the funded status of the defined benefit plan in respect of Gratuity and amount recognised in the financial statements.

(i) Change in defined benefit obligation

	31 March, 2019 Rupees	31 March, 2018 Rupees
Present value of obligations at the beginning of the year	1,78,672	-
Interest cost	13,758	-
Current service cost	6,48,987	2,13,956
Benefit Paid	(97,354)	(35,284)
Actuarial (gains)/losses on obligation	70,340	-
Present value of obligations at the end of the period	8,14,403	1,78,672

(ii) Amount recognised in the Balance Sheet

	31 March, 2019 Rupees	31 March, 2018 Rupees
Present value of defined benefit obligations	8,14,403	1,78,672
Fair value of plan assets	-	-
Net liability/(asset) recognised in the balance sheet	8,14,403	1,78,672

(iii) Expenses recognised in the Statement of Profit and Loss

	31 March, 2019 Rupees	31 March, 2018 Rupees
Current service costs	6,48,987	2,13,956
Interest cost	13,758	-
Net actuarial (gain)/loss recognized during the year	70,340	-
Expenses recognized in Statement of Profit and Loss	7,33,085	2,13,956

(iv) Balance Sheet reconciliation

	31 March, 2019 Rupees	31 March, 2018 Rupees
Net liability/(asset) at the beginning of the year/ period	1,78,672	-
Expenses as above	7,33,085	2,13,956
Benefit Paid	(97,354)	(35,284)
Net liability / (asset) at the end of the period	8,14,403	1,78,672

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

(v) Principal actuarial assumptions

	31 March, 2019	31 March, 2018
Discount rate	7.70% p.a.	7.70% p.a.
Expected salary escalations	7.00% p.a.	7.00% p.a.
Attrition rate:		
Below 30 Years	3%	3%
Ages 31-44 Years	2%	2%
Ages 44 and Above	1%	1%
Mortality table used	IAL (2006-08) ultimate	IAL (2006-08) ultimate

Discount rate is based on prevailing market yields of government of India securities as at the balance sheet date for the estimated term of obligation

The estimate of future salary increase considered takes into account the inflation, seniority, promotions, increments and other relevant factors.

(vi) Actuarial assumptions for compensated absences

Actuarial assumptions used for valuation of liability for compensated absences is same as (v) above.

BAPUDHAM MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 30: Leasing arrangements

The Company has entered into lease arrangements for office premises. The lease is for a period of 5 years commencing from 1 January, 2018 to 31 December, 2022. The lease has lock-in period of 3 years. The lease agreement provides for increase in lease payments by 15% after three years. The other rent agreements are for the period of 11 months which can be cancelled by either of the parties. The Company has recognised lease rental expenses of Rs. 3,716,531 in the Statement of Profit and Loss.

Future minimum lease payment are:
Particulars

	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Payable not later than one year	11,18,074	11,18,074
Payable later than one year but not later than five years	8,38,555	19,56,629
	<u>19,56,629</u>	<u>30,74,702</u>

Note 31: Earnings Per Equity Share

Particulars	Unit	Year ended 31 March, 2019	Period ended 31 March, 2018
		Rupees	Rupees
Net profit after tax	Rupees	1,23,879	87,12,608
Weighted average number of equity shares outstanding during the period	Numbers	82,455	6,268
Nominal value per Equity Shares	Rupees	100	100
Basic earnings per share	Rupees	1.50	1,390.12
Equity shares used to compute diluted earnings per share	Numbers	83,998	6,306
Diluted earnings per share	Rupees	1.47	1,381.60

Note 32: Details of Government grants

	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
Details of grants received from NDDB and its utilisation is as under:		
Opening	331,41,432	-
(a) Received during the year / period	1341,62,000	622,63,000
	<u>1673,03,432</u>	<u>622,63,000</u>
(b) Utilised during the year / period		
(i) For capital assets (Refer Note below)	932,93,399	249,07,076
(ii) For revenue expenses	307,18,642	42,14,492
Total utilised	<u>1240,12,041</u>	<u>291,21,568</u>
(c) Balance carried forward (a-b)	<u>432,91,392</u>	<u>331,41,432</u>

Note:

Utilisation of Grant towards purchases of Capital Asset comprises of the following:

For property, plant and equipments (Refer Note 14)	946,10,485	94,17,499
Less: Capitalisation of last year CWIP towards Property , plant and equipments	<u>(154,89,577)</u>	<u>-</u>
	791,20,908	94,17,499
- For assets under installation (CWIP)	141,72,491	154,89,577
Total	<u>932,93,399</u>	<u>249,07,076</u>

Grant utilised for purchase of capital assets has been recorded as deferred grant and revenue grant utilised has been netted off with respective expense (see note 2k).

Note 33: Disclosures as required by the Accounting Standard (AS) 18 – “Related Party Disclosures” are as below:

A. Name of the related parties and nature of relationship

Nature of Relationship	Name of Entity
Key Management Personnel (KMP):	Sandeep Kumar - Chief Executive

B. The nature and volume of transactions during the year with the above related parties are as follows:

Particulars	KMP (Rupees)
Managerial remuneration:	
Sandeep Kumar	20,12,203 (8,97,552)

Figures in bracket represent previous year figures

Note 34:

According to the information available with the Management, on the basis of intimation received from suppliers, regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), there are no suppliers in the nature of trade payables registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) therefore Company has no amounts due to Micro and Small Enterprises under the said Act.

Note 35:

As at 31 March, 2019, the Company has received Rs. 33,13,600 as share application money pending allotment towards equity shares, against which allotment has been made at the Board meeting held on 21 June, 2018 for Rs. 26,86,900. The equity shares against the remaining balance of share application money will be issued in the subsequent board meeting.

Note 36:

The Company is engaged in trading of milk and cattle feed, which is considered as a single business segment. The Company operates in single geographical segment in India. The disclosures as required under Accounting Standard AS-17 on Segment reporting are not required as the Company deals in one business and geographical segment.

Note 37:

In respect of the year ended 31 March, 2019, the directors in their meeting dated 9th September 2019 have proposed a final dividend of Rs. 13,24,757 (Rs. 7 per share) to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total equity dividend and tax thereon amounts to Rs. 13,24,757 and Rs. 2,72,308 respectively.

Note 38:

Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Sd/-
Kumkum Kumari
 Director

Sd/-
Prabhunath Dubey
 Director

Sd/-
Sandeep Kumar
 Director & Chief Executive

Sd/-
Shriman Narayan Pandey
 Company Secretary

Place: 09.09.2019

Date: 09.09.2019

Conditions for continuation and cancellation of Membership

- i. the Member acquires any business interest which is in conflict with the business of the Company.
- ii. the member is indulging / has indulged in an act which is detrimental to the functioning of the Company or which has damaged or likely to damage the interest and reputation of the company.
- iii. The member is engaged in production of milk from milch animals owned by him and responsible for the care and management of cow(s) and buffalo(es).
- iv. The member has supplied milk for at least 200 days during the previous financial year and poured a minimum of 500 litres of milk annually.
- v. The member has subscribed for shares matching the annual quantity of milk supplied.
- vi. The total milk supplied to the Company during the winter months namely November to February shall not exceed 3 times to milk supplied during the summer months namely April to July during the previous financial year.
- vii. The milk supplied by the member has met all the quality standards as stipulated by the Company from time to time.
- viii. The member has not defaulted in any payment of Rs.1000/- or more to be made to Bapudham Milk Producer Company for a period of last 6 months or more.
- ix. The member has not indulged in an act which is detrimental to the functioning of the Company as also to the interest of the Company.
- x. The member has not indulged in any business which is in conflict to the business interest of Milk Producer Company.
- xi. The member has not wilfully deceived the Milk Producer Company.
- xii. The Member has not provided any incorrect information to the Company. The company can verify the information provided by the member on suo motto basis or on receiving complaint from a bona fide member.
- xiii. The Member has not been found defaulted in supplying the entire surplus milk of his/her household to the Company.
- xiv. More milk quantity poured in the member code in comparison to the actual milk production/surplus in the household as declared by the members
- xv. Fake membership including more than one members in the same household (including the Sahayak family)
- xvi. Member code is used to pour milk of somebody else
- xvii. If membership is allotted in Sahayak's name.