

**BAPUDHAM MILK PRODUCER COMPANY LIMITED**

CIN: U01110BR2017PTC034288

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**DIRECTORS' REPORT**

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

The Directors are pleased to present before you Report on the operations of the Company along with the Audited Accounts of Bapudham Milk Producer Company Limited ('Company') for the year ended 31<sup>st</sup> March 2020.

**FINANCIAL RESULTS: -**

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

Particulars	For the year ended on 31 <sup>st</sup> March 2020 (Amount in Rs.)	For the year ended on 31 <sup>st</sup> March 2019 (Amount in Rs.)
Revenue From Operations	<b>98,05,21,313</b>	<b>76,47,45,851</b>
Other Income	<b>47,76,445</b>	<b>27,35,861</b>
Total Income	<b>98,52,97,758</b>	<b>76,74,81,712</b>
Expenditure including material cost	<b>1,01,53,07,659</b>	<b>76,54,63,841</b>
Profit/(loss) for the period before tax	<b>(3,00,09,901)</b>	<b>20,17,871</b>
Provision for Taxation	<b>(75,22,643)</b>	<b>18,93,992</b>
Profit/(loss) for the period after tax	<b>(2,24,87,257)</b>	<b>1,23,879</b>

**STATEMENT OF THE COMPANY'S AFFAIRS:-**

The Company during the period has achieved total income of Rs.98,52,97,758/-, comprising of operational revenues amounting to Rs.98,05,21,313/- and other income amounting to Rs.47,76,445/- as compared to the previous financial year i.e. Rs.76,74,81,712/-. The total expenses incurred during the period amounting to Rs.1,01,53,07,659/- as compared to Rs.76,54,63,841/- against the previous year. The Company has made loss of Rs.2,24,87,257/- during 2019-20 as against profit of Rs.1,23,879/- during the last year.

## **DIVIDEND**

In of losses during the year under review, your directors do not recommend any dividend to the shareholders.

## **TRANSFER TO GENERAL RESERVE**

Company has no surplus to transfer into the 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 1184 MPPs in 931 villages as on 31<sup>st</sup> March 2020 under 31 BMC locations (Bulk Milk Cooler) having Chilling capacity of 1,50,000 kl. During the year, the Company has procured 2,17,81,802 liters of raw milk.

At the end of the financial year, out of a total of 51819 members, 45713 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

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 at Dairy Value Chain**

##### **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 and for dispatching milk to BMCs/MCCs from this MPPs. Further appropriate trainings are provided to Sahayak and field staff for collecting good quality milk.

Education and training programs are put in place to achieve desired results. 10500 farmers out of 12021 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 milk improves to the level of 100-120 minutes.

### **Designing and developing hygienic Infrastructure for milk collection facilities: - MILK POOLING POINT (MPPs)**

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 and inward transport vehicle receiving this milk as per their scheduled timings.

Milk quality and quantity is assured by Sahayak to Transporter during this activity and 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.

System also has been implemented for hand-over 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 the BMC has to be tested for organoleptic quality and 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.

### **BULK MILK COOLERS (BMCs)**

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

As of now, 15 BMCs from small to medium-sized are installed having capacities that range from 1000 to 5000 liters are also functional.

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 cooled at BMC is transported to Processing plant for pasteurization and further disposal to customer.

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

### **1. 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 system can be developed.

### **2. 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.

### **C. New Initiatives:**

#### **FSMS and 5S Implementation in Operational BMCs**

For providing further safe milk, Food Safety Management System (FSMS) is being developed and implemented in operational BMCs. 5s system is also implemented in operations through various trainings to make operation system more efficient

#### **FOSTAC training of FSSAI by IGNOU**

FOSTAC training is a mandatory training required by FSSAI for all supervisors working in milk handling. All BMC staff (BMC I/C, chemist and labor) has been given training by QA team and Dr Vijay Kr (IGNOU).

#### **Plan for Central Laboratory Establishment**

To make our quality operations system more effective and efficient, a Central laboratory has been established for testing milk and milk product in in-house testing facilities. This facility is also supporting in reducing chemical costs by preparing various chemicals in-house in place of costly prepared chemicals

#### **Plan for product manufacturing by Third Party Processing Plants**

Company is also planning to produce products in its brand name through third party processing plants. QA team is currently engaged in searching to hire a third party plant for manufacturing milk products like ghee, paneer, sweets, Dahi etc.

## **Waste Water Treatment plant installation at BMCs**

As a commitment to save our environment and to comply the requirement of “Water and Air Prevention and Control of Pollution Act 1974 and 1981”, company is planning to equip all the functional BMCs (5KL and above) with Effluent Treatment Plant (ETP).

### **D. 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 51819 members, out of which 45,713 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 25000 producers/members in three districts of Bihar.** 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. In addition, different type of awareness activities was executed like household visit by field team, **BMPCL awareness movie shown in more than 300 villages. “Awareness program on scientific feeding and Cattle Management during summers” is provided in 12 batches to around 550 members.**

An Exposure visit was organized at Paayas Milk Producer Company, Jaipur, Rajasthan **for BoD’s.** In order to establish and strengthen an appropriate mechanism for member communication and grievance redressal about 5000 VCG (Village Contact Group) members and 1100 MRG (Member Relation Group) members at village and BMC level respectively, were empowered with refresher training on their role and responsibilities.

Help Line No. (9065526302) which had been established at HO level in 2018-19 for direct handling of field level grievances started to provide its services 24X7 hrs in 2019-20.

### ***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.

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

There is no material/substantial change after the closure of financial year ended 31.03.2020.

### **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, 2020, the paid up share capital was Rs.2,59,90,500/- comprising of 42,209 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 2019-20.

### **BOARD OF DIRECTORS: -**

During the year, Shri Lalit Kumar resigned from the directorship.

After the end of financial year Shri Pranhunath Dubey and Shri Kundan Kumar have resigned from directorship of the Company.

In terms of Article 9.6 of the Articles of Association of the Company, Shri Suresh Paswan and Smt. Pratibha Devi directors being longest in office shall retire at the ensuing AGM and being eligible, offer themselves for re-appointment.

Shri Surendra Singh, Shri Arvind Kumar and Shri Narsingh Baitha, members of the company have expressed their willingness to represent the Board. Board of Directors recommends the appointment of Shri Surendra Singh, Shri Arvind Kumar and Shri Narsingh Baitha as Directors of the company at ensuing 4<sup>th</sup> Annula General Meeting.

### **TRAINING OF BOARD MEMBERS: -**

During the period under review, the directors have been imparted training on 'Finance Module (Part-II)' on 09.09.2019 & 10.09.2019. Also an exposure visit was organized for BoD's at Jaipur.

### **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 Auditors of the Company, M/s. S.B. Billimoria & Co, Gurugram, Haryana, Chartered Accountants, (Firm Registration No. 101496W), retire at the ensuing Fourth 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 work for a 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.

Your Human Resources Department arranged and organized various training programs to up-grade the technical as well as soft skills and capacity building in the employees.

Social security is a most important & essential for attracting to employees that maximise the **'happiness & retention'** of employees where company has increased the Group

Mediclaime Policy & Group Accidental Policy for contractual employees/Off Roll employees.

Human resource management involves overseeing all things related to managing an **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 1<sup>st</sup> 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](http://www.bapudhammilk.com). A copy of Annual Report is available on the **company's website** at [bapudhammilk.com/annual-reports/](http://bapudhammilk.com/annual-reports/).

### **Other IT Infrastructure Projects**

**GPRS (General Packet Radio Service)** - Implemented GPRS system to automate data from Milk pooling points (MPP) directly to central system in order to avoid any delay in receiving milk procurement data. GPRS data would help in getting online & timely data, avoiding usage of pen drives, and instant rate chart update at MPP directly from central server, members will now be getting SMS about their milk pouring details instantly.

**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 & 25kg 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 2019-20, Four (4) meetings of Board of Directors of the Company were duly convened and held on 21.06.2019, 09.09.2019, 28.09.2019 and 24.12.2019.

**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 2019-20.

**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 NDDDB, NDDDB Dairy Services and Mother Dairy 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: 24.10.2020  
Place: Motihari, Bihar**

**Sd/-  
Kumkum Kumari  
Chairman  
DIN:07773889**

# S.B. Billimoria & Co

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## **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 31 March, 2020, 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, 2020, and its loss 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 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - 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 B" 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 C" a statement on the matters specified in that Section.

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

Sd/-

Place: New Delhi  
Date : 24.10.2020

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
UDIN: 20087104AAAAGB5950



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 3(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Bapudham Milk Producer Company Limited (“the Company”) as of 31 March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. B. BILLIMORIA & CO.**

Chartered Accountants  
(Registration No. 101496W)

Sd/-

**Jitendra Agarwal**

Partner

(Membership No. 87104)

UDIN: 20087104AAAAGB5950

Place: New Delhi

Date : 24.10.2020

## ANNEXURE B 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, 2020 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, 2020.
- (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). In our opinion term loans have been applied by the Company during the year for the purposes for which they were raised.
- (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) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed 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)

Sd/-

Place: New Delhi  
Date : 24.10.2020

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
UDIN: 20087104AAAAGB5950

## **ANNEXURE C 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 other than those disclosed in note 17 to the financial statements 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, 2020 are as per the financial statements of the Company as at and for the year ended 31 March, 2020.
- 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)

Sd/-

Place: New Delhi  
Date : 24.10.2020

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)  
UDIN: 20087104AAAAGB5950

**BAPUDHAM MILK PRODUCER COMPANY LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2020**

	Note No.	As at 31 March, 2020	As at 31 March, 2019
		Rupees	Rupees
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' fund</b>			
(a) Share capital	3	2,59,90,500	1,89,25,100
(b) Reserves and surplus	4	<u>(1,56,72,943)</u>	<u>84,11,380</u>
		<u>1,03,17,557</u>	<u>2,73,36,480</u>
<b>2. Share application money pending allotment</b>	35	1,05,90,200	33,13,600
<b>3. Deferred grant</b>	5	10,46,88,787	10,46,49,219
<b>4. Non - current liabilities</b>			
(a) Long - term borrowings	6	7,86,75,000	6,18,75,000
(b) Deferred tax liabilities (net)	7	-	11,84,027
(c) Long - term provisions	8	34,29,528	19,32,874
(d) Other long-term liabilities	9	<u>2,56,10,275</u>	<u>1,94,27,402</u>
		<u>10,77,14,803</u>	<u>8,44,19,304</u>
<b>5. Current liabilities</b>			
(a) Short term borrowings	10	23,32,94,268	20,87,79,817
(b) Trade payables	11		
(i) Total outstanding dues of micro and small enterprises		53,30,533	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		5,26,76,168	5,11,58,381
(c) Other current liabilities	12	7,65,18,830	13,87,97,660
(d) Short - term provisions	13	5,94,377	56,624
		<u>36,84,14,176</u>	<u>39,87,92,481</u>
<b>Total</b>		<u><b>60,17,25,523</b></u>	<u><b>61,85,11,083</b></u>
<b>B. ASSETS</b>			
<b>1. Non - current assets</b>			
(a) Property, plant and equipment			
(i) Tangible assets	14A	22,83,52,896	18,67,44,723
(ii) Intangible assets	14B	62,10,948	1,66,87,997
(iii) Capital work-in-progress	14C	<u>61,37,540</u>	<u>2,83,44,982</u>
		24,07,01,384	23,17,77,702
(b) Long - term loans and advances	15	14,75,207	10,38,919
(c) Deferred tax assets (net)	7	67,68,706	-
		<u>24,89,45,296</u>	<u>23,28,16,621</u>
<b>2. Current assets</b>			
(a) Inventories	16	1,81,41,398	92,98,899
(b) Trade receivables	17	27,13,19,673	26,44,18,787
(c) Cash and bank balances	18	5,46,79,068	10,74,31,180
(d) Short - term loans and advances	19	40,19,071	35,95,795
(e) Other current assets	20	<u>46,21,016</u>	<u>9,49,801</u>
		<u>35,27,80,226</u>	<u>38,56,94,462</u>
<b>Total</b>		<u><b>60,17,25,523</b></u>	<u><b>61,85,11,083</b></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  
DIN-07773889

**Sd/-**  
**Sandeep Kumar**  
Director & Chief Executive  
DIN 08036384

**Sd/-**  
**Raj Kishore Kumar**  
Director  
DIN-08312408

**Sd/-**  
**Shriman Narayan Pandey**  
Company Secretary

Place: New Delhi  
Date: 24.10.2020

Place: Motihari  
Date: 24.10.2020

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

	Note No.	For the year ended	For the year
		31 March, 2020	ended 31 March, 2019
		Rupees	Rupees
1. Revenue from operations	21	98,05,21,313	76,47,45,851
2. Other income	22	47,76,445	27,35,861
<b>3. Total revenue (1+2)</b>		<b>98,52,97,758</b>	<b>76,74,81,712</b>
<b>4. EXPENSES</b>			
(a) Purchases of stock in trade	23	87,33,25,138	61,78,01,742
(b) Changes in inventories of stock-in-trade	24	(77,71,185)	2,59,633
(c) Employee benefits expense	25	4,18,54,270	3,42,87,685
(d) Finance costs	26	2,12,40,138	1,19,43,562
(e) Depreciation and amortisation expense	14	1,81,89,724	1,18,82,348
(f) Other expenses	27	6,84,69,574	8,92,88,872
<b>Total expenses</b>		<b>1,01,53,07,659</b>	<b>76,54,63,841</b>
<b>5. Profit / (Loss) before tax (3-4)</b>		<b>(3,00,09,901)</b>	<b>20,17,871</b>
<b>6. Tax expense:</b>			
(a) Current tax		-	3,88,238
(b) MAT Credit Reversal / (Entitlement)		3,88,238	(3,88,238)
(c) Short provision for tax related to earlier year		41,852	8,20,770
(d) Deferred tax credit / (charge)		(79,52,733)	10,73,222
Net tax expense		<b>(75,22,643)</b>	<b>18,93,992</b>
<b>7. Profit / (Loss) for the year (5-6)</b>		<b>(2,24,87,257)</b>	<b>1,23,879</b>
<b>8. Earnings per equity share:</b>	31		
(Nominal value Rs. 100 per share)			
(a) Basic		(97.44)	1.50
(b) Diluted		(86.68)	1.47

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  
DIN-07773889

**Sd/-**  
**Raj Kishore Kumar**  
Director  
DIN-08312408

**Sd/-**  
**Sandeep Kumar**  
Director & Chief Executive  
DIN 08036384

**Sd/-**  
**Shriman Narayan Pandey**  
Company Secretary

Place: New Delhi  
Date: 24.10.2020

Place: Motihari  
Date: 24.10.2020



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

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit / (Loss) before tax	(3,00,09,901)	20,17,871
<b>Adjustments For :</b>		
Finance costs on borrowings	2,11,57,598	1,17,41,586
Interest income	(22,14,430)	(5,76,610)
Interest on delayed payment of income tax	82,540	2,01,976
Provision for employee benefits	20,34,407	15,00,355
Depreciation and amortisation expense	1,81,89,724	1,18,82,348
<b>Operating Profit before working capital changes</b>	<b>92,39,938</b>	<b>2,67,67,525</b>
<b>Adjustments for movement in working capital:</b>		
Increase in inventories	(88,42,499)	(27,94,464)
Increase in trade receivables	(69,00,886)	(14,74,29,497)
(Increase) / Decrease in other current assets	(36,03,468)	2,468
Increase in long term loans and advances	(22,100)	(84,500)
Increase in short term loans and advances	(4,23,277)	(35,34,260)
Increase in other long term liabilities	61,82,873	1,47,75,228
Increase in trade payables	68,48,321	3,18,00,954
(Decrease) / Increase in other current liabilities	(3,75,61,355)	1,13,98,598
<b>Cash used in operations</b>	<b>(3,50,82,453)</b>	<b>(6,90,97,948)</b>
Net income taxes (paid)/refund	(9,26,818)	(39,20,967)
<b>Net cash flow used in operating activities (A)</b>	<b>(3,60,09,271)</b>	<b>(7,30,18,915)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Increase in bank balances not considered as cash and cash equivalents	(85,05,313)	(1,35,01,440)
Capital expenditure on property, plant and equipments (net of capital grant received)	(4,92,99,563)	(5,72,53,143)
Interest received	21,46,683	4,00,019
<b>Net cash flow used in investing activities (B)</b>	<b>(5,56,58,193)</b>	<b>(7,03,54,563)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of share capital	37,51,800	1,31,49,100
Share application money received	1,05,90,200	33,13,600
Proceeds from long term borrowings	3,00,00,000	6,00,00,000
Repayment of long term borrowings	(1,32,00,000)	-
Interest paid	(2,36,49,346)	(78,89,117)
Net increase in working capital borrowings	2,45,14,451	11,81,93,940
Dividend paid including dividend tax	(15,97,065)	(4,25,107)
<b>Net cash flow from financing activities (C)</b>	<b>3,04,10,040</b>	<b>18,63,42,416</b>
<b>Net (decrease) / increase in Cash and cash equivalents (A+B+C)</b>	<b>(6,12,57,425)</b>	<b>4,29,68,938</b>
Cash and cash equivalents at beginning of the year	7,94,29,740	3,64,60,802
<b>Cash and cash equivalents at the end of the year</b>	<b>1,81,72,315</b>	<b>7,94,29,740</b>
<b>Components of Cash and cash equivalents as at:</b>		
Balances with banks:		
in current accounts	1,81,72,315	7,94,29,740
Cash and cash equivalents as per Cash Flow Statement	<b>1,81,72,315</b>	<b>7,94,29,740</b>
Add: Bank balances not considered as Cash and cash equivalent	3,65,06,753	2,80,01,440
Cash and bank balances as per Balance Sheet (Note 18)	<b>5,46,79,068</b>	<b>10,74,31,180</b>

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  
DIN-07773889

**Sd/-**  
**Sandeep Kumar**  
Director & Chief Executive  
DIN 08036384

**Sd/-**  
**Raj Kishore Kumar**  
Director  
DIN-08312408

**Sd/-**  
**Shriman Narayan Pandey**  
Company Secretary

Place: New Delhi  
Date: 24.10.2020

Place: Motihari  
Date: 24.10.2020

## BAPUDHAM MILK PRODUCER COMPANY LIMITED

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### 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.

**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.

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**

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.

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.

**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, 2020		As at 31 March, 2019	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
<b>(a) Authorised share capital</b> Equity Shares of Rs. 100 each	<b>5,00,000</b>	<b>5,00,00,000</b>	<b>5,00,000</b>	<b>5,00,00,000</b>
<b>(b) Issued, subscribed and fully Paid up share capital</b> Equity Shares of Rs. 100 each	<b>2,59,905</b>	<b>2,59,90,500</b>	<b>1,89,251</b>	<b>1,89,25,100</b>

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:**

	As at and for the year ended 31 March, 2020		As at and for the year ended 31 March, 2019	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
Shares outstanding at the beginning of the year	1,89,251	1,89,25,100	44,078	44,07,800
Shares issued during the year	86,194	86,19,400	1,47,457	1,47,45,700
Shares cancelled / surrendered during the year	15,540	15,54,000	2,284	2,28,400
Shares outstanding at the end of the year	<b>2,59,905</b>	<b>2,59,90,500</b>	<b>1,89,251</b>	<b>1,89,25,100</b>

**(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, 2020	As at 31 March, 2019
	Rupees	Rupees
<b>Note 4: Reserves and surplus</b>		
<b>(a) General reserve</b>		
Opening balance	82,87,478	82,87,478
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	<u>82,87,478</u>	<u>82,87,478</u>
<b>(b) Surplus/(Deficit) in Statement of Profit and Loss</b>		
Opening balance	1,23,901	4,25,130
Profit / (Loss) for the year	(2,24,87,257)	1,23,879
Less:		
Final limited return (dividend) to members for the year ended 31 March 2019 (Rs. 7/- per share)	13,24,757	3,52,624
Tax on above limited return (dividend)	2,72,308	72,483
Closing balance	<u>(2,39,60,421)</u>	<u>1,23,901</u>
	<b><u>(1,56,72,943)</u></b>	<b><u>84,11,380</u></b>
<b>Note 5: Deferred grant</b>		
Opening balance	10,46,49,219	2,46,92,903
Add: Capital Grant utilised during the year (see note 32)	2,39,93,038	9,32,93,399
Less: Depreciation pertaining to assets acquired from capital grant (see note 14)	2,39,53,470	1,33,37,083
Closing balance (see note 14 (iii))	<u>10,46,88,787</u>	<u>10,46,49,219</u>
<b>Note 6: Long-term borrowings</b>		
<b>Unsecured</b>		
<b>(a) Term loan</b>		
(i) from others	9,18,00,000	7,50,00,000
Less: Current maturity of long term borrowings (see note 12(f))	<u>1,31,25,000</u>	<u>1,31,25,000</u>
	7,86,75,000	6,18,75,000
	<b><u>7,86,75,000</u></b>	<b><u>6,18,75,000</u></b>
<p>The term loan of Rs. 10,50,00,000 was sanctioned by Mother Dairy Fruit &amp; Vegetable Private Limited in financial year 2017-18 out of which Rs. 7,50,00,000 had been received till previous year. The loan carries interest @7.50% per annum and is repayable in 8 annual instalments 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. During the current year, balance loan amount of Rs.3,00,00,000 have been received. The total balance of Rs. 9,18,00,000 is after considering the repayments made during the year.</p>		
<b>Note 7: Deferred tax (asset) / liabilities (net)</b>		
<b>(a) Tax effect of items constituting deferred tax liabilities:</b>		
(i) On difference between book balance and tax balance of property, plant and equipment	24,12,986	19,74,317
<b>(b) Tax effect of items constituting deferred tax assets:</b>		
(i) Provision for compensated absences and gratuity	10,12,736	5,17,269
(ii) Provision for doubtful debts	1,26,906	-
(iii) Disallowances under section 35D of the Income Tax Act	65,640	1,01,715
(iv) Brought forward and carry forward losses	79,76,410	-
(v) Others	-	1,71,306
	<u>91,81,692</u>	<u>7,90,290</u>
<b>Net deferred tax (Asset) / Liability</b>	<b><u>(67,68,706)</u></b>	<b><u>11,84,027</u></b>



**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	14,12,594	7,99,429
(ii) For compensated balances	20,16,934	11,33,445
	<u>34,29,528</u>	<u>19,32,874</u>

**Note 9: Other long-term liabilities**

(a) Trade/security deposits received	2,56,10,275	1,94,27,402
	<u>2,56,10,275</u>	<u>1,94,27,402</u>

**Note 10: Short-term borrowings**

(a) Unsecured loan		
(i) Bill discounting facility	23,32,94,268	20,87,79,817
	<u>23,32,94,268</u>	<u>20,87,79,817</u>

**Note 11: Trade payables**

(a) Total outstanding dues of micro and small enterprises	53,30,533	-
(b) Trade Payables (other than acceptances) (see note 34)	5,26,76,168	5,11,58,381
	<u>5,80,06,701</u>	<u>5,11,58,381</u>

**Note 12: Other current liabilities**

(a) Application money received for allotment of securities and due for refund	54,246	1,55,705
(b) Interest accrued but not due on borrowings	22,73,699	47,65,447
(c) Grant received (net of utilisation) (see note 32)	59,75,178	4,32,91,392
(d) Statutory dues (Contribution to PF,TDS, GST etc.)	17,64,998	21,23,625
(e) Payable for purchase of property, plant and equipment	5,31,09,325	7,53,35,051
(f) Current maturity of long term borrowings (Refer Note 6)	1,31,25,000	1,31,25,000
(g) Unclaimed/ Unpaid Dividend	6,753	1,440
(h) Advance from customer	2,09,631	-
	<u>7,65,18,830</u>	<u>13,87,97,660</u>

**Note 13: Short term provisions**

(a) Provision for employee benefits		
(i) For gratuity	26,459	14,974
(ii) For compensated balances	5,67,918	41,650
	<u>5,94,377</u>	<u>56,624</u>

**BARUDHAM MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the financial statements

**Note 14: Property, Plant and Equipment**

Particulars	Gross Block		Accumulated Depreciation / amortisation		Net Block	
	As at April 1, 2019	Additions	As at 31 March, 2020	For the year	As at 31 March, 2020	As at March 31, 2019
<b>(a) Tangible assets (owned)</b>						
Leasehold Improvements (Previous Year)	43,79,620 (-)	-	43,79,620	2,68,777 (-)	7,06,738 (2,68,777)	36,72,882 (41,10,843)
Plant and equipment (Previous Year)	19,09,12,023 (6,29,64,046)	7,06,18,612 (12,79,47,977)	26,15,30,635 (19,09,12,023)	1,62,85,215 (24,60,873)	4,34,72,761 (1,62,85,215)	21,80,57,874 (17,46,26,809)
Office equipment (Previous Year)	30,51,183 (-)	12,79,046 (30,51,183)	43,30,229 (30,51,183)	3,43,847 (-)	11,74,620 (3,43,847)	31,55,609 (27,07,336)
Furniture and fixtures (Previous Year)	54,56,085 (20,37,299)	12,45,410 (34,18,786)	67,01,495 (54,56,085)	48,97,334 (1,47,238)	62,21,378 (48,97,334)	4,80,117 (5,58,751)
Computers (Previous Year)	61,93,951 (21,10,009)	1,31,250 (40,83,942)	63,25,201 (61,93,951)	14,52,967 (2,51,579)	33,38,786 (14,52,967)	29,86,415 (47,40,984)
<b>Total</b>	<b>20,99,92,863 (6,71,11,354)</b>	<b>7,32,74,318 (14,28,81,509)</b>	<b>28,32,67,181 (20,99,92,863)</b>	<b>3,16,66,144 (2,03,88,450)</b>	<b>5,49,14,284 (2,32,48,140)</b>	<b>22,83,52,896 (18,67,44,723)</b>
<b>(b) Intangible assets</b>						
Computer software (Previous Year)	2,16,41,471 (13,55,929)	-	2,16,41,471 (2,02,85,542)	49,53,474 (1,22,492)	1,54,30,523 (49,53,474)	62,10,948 (1,66,87,997)
<b>Total</b>	<b>2,16,41,471 (13,55,929)</b>	<b>-</b>	<b>2,16,41,471 (2,16,41,471)</b>	<b>49,53,474 (1,22,492)</b>	<b>1,54,30,523 (49,53,474)</b>	<b>62,10,948 (1,66,87,997)</b>
<b>(c) Capital Work in Progress</b>						
<b>Total (a+b+c)</b>	<b>23,16,34,334</b>	<b>7,32,74,318</b>	<b>30,49,08,652</b>	<b>4,21,43,193</b>	<b>7,03,44,807</b>	<b>24,07,01,384</b>
						<b>2,83,44,982</b>

**Notes:**

**(i) Depreciation and amortisation expense**

	Year ended 31 March, 2020	Year ended 31 March, 2019
Tangible assets	3,16,66,144	2,03,88,450
Intangible assets	1,04,77,049	48,30,981
Less: Depreciation pertaining to assets acquired on grant	(2,39,53,470)	(1,33,37,083)
	<b>1,81,89,724</b>	<b>1,18,82,348</b>

**(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, 2019	Additions	As at 31 March, 2020	For the year	As at 31 March, 2020	As at March 31, 2019
<b>(a) Tangible assets :</b>						
Leasehold Improvements (Previous Year)	37,10,521 (-)	-	37,10,521 (37,10,521)	2,27,714 (-)	5,98,766 (2,27,714)	31,11,754 (34,82,806)
Plant and equipment (Previous Year)	7,05,84,335 (81,43,403)	3,40,57,044 (6,24,40,932)	10,46,41,379 (7,05,84,335)	48,18,342 (1,08,289)	1,55,88,695 (48,18,342)	8,90,52,684 (6,57,65,994)
Office equipment (Previous Year)	14,69,874 (-)	7,86,520 (14,69,874)	22,56,394 (14,69,874)	1,19,865 (-)	7,69,917 (1,19,865)	14,86,477 (13,50,009)
Furniture and fixtures (Previous Year)	31,51,340 (-)	7,57,739 (31,51,340)	39,09,079 (31,51,340)	31,16,485 (-)	38,81,245 (31,16,485)	27,834 (34,855)
Computers (Previous Year)	36,28,546 (-)	1,31,250 (36,28,546)	37,59,796 (36,28,546)	3,99,046 (-)	14,28,802 (3,99,046)	23,30,994 (32,29,500)
<b>(b) Intangible assets :</b>						
Computer Software (Previous Year)	2,14,83,368 (12,74,096)	-	2,14,83,368 (2,14,83,368)	48,69,804 (1,05,884)	1,52,37,300 (48,69,804)	62,46,068 (1,66,13,564)
<b>Total (a+b)</b>	<b>10,40,27,984 (94,17,499)</b>	<b>3,57,32,553 (9,46,10,485)</b>	<b>13,97,60,537 (10,40,27,984)</b>	<b>2,39,53,470 (2,14,173)</b>	<b>3,75,04,726 (1,35,51,256)</b>	<b>10,22,55,811 (9,04,76,728)</b>
<b>(c) Capital Work in Progress</b>						
<b>Total (a+b+c)</b>	<b>10,40,27,984</b>	<b>3,57,32,553</b>	<b>13,97,60,537</b>	<b>2,39,53,470</b>	<b>3,75,04,726</b>	<b>10,46,88,787</b>
						<b>1,41,72,491</b>

**(iii) The net block (including capital work in progress) pertaining to assets purchased out of capital grant amount to Rs. 104,688,787 (see note 4).**

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

	As at 31 March, 2020	As at 31 March, 2019
	Rupees	Rupees
<b>Note 15: Long - term loans and advances</b>		
(Unsecured, considered good)		
(a) Security deposits	1,30,200	1,08,100
(b) Advance Income Tax (Net of provisions of Rs. 497,258 (Previous year Rs. 388,238)	13,45,007	5,42,580
(c) MAT Credit Entitlement	-	3,88,238
	<b>14,75,207</b>	<b>10,38,919</b>
<b>Note 16: Inventories</b>		
(At lower of cost and net realisable value)		
(a) Stock in trade (in transit) - Raw milk	51,32,056	39,01,194
(b) Stock-in-trade- Others	84,21,393	18,81,070
(c) Stores and spares	45,87,949	35,16,634
	<b>1,81,41,398</b>	<b>92,98,898</b>
<b>Note 17: Trade receivables</b>		
(Unsecured, considered good)		
(a) Outstanding for a period exceeding six months from the date they were due for payment		
(i) Considered good	-	-
(ii) Considered doubtful	5,04,234	-
Less: Provision for doubtful debts	5,04,234	-
	-	-
(b) Others	27,13,19,673	26,44,18,787
	<b>27,13,19,673</b>	<b>26,44,18,787</b>
<b>Note 18: Cash and cash equivalents</b>		
(a) Balance with banks:		
(i) In current accounts	1,81,72,315	7,94,29,740
Cash and cash equivalents as per AS 3 - Cash flow statement	<b>1,81,72,315</b>	<b>7,94,29,740</b>
(b) Other bank balances		
(i) In deposit accounts (original maturity more than 3 months)	3,65,00,000	2,80,00,000
(ii) In earmarked accounts		
-Unpaid Dividend Account	6,753	1,440
	<b>5,46,79,068</b>	<b>10,74,31,180</b>
<b>Note 19: Short - term loans and advances</b>		
(Unsecured, considered good)		
(a) Prepaid expenses	23,84,618	20,08,782
(b) Advance to vendors	16,34,453	15,87,013
	<b>40,19,071</b>	<b>35,95,795</b>
<b>Note 20: Other current assets</b>		
(Unsecured, considered good)		
(a) Interest accrued but not due on bank deposits	4,14,764	3,47,017
(b) Other receivables	42,06,252	6,02,784
	<b>46,21,016</b>	<b>9,49,801</b>

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

	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 21: Revenue from operations</b>		
(a) Sale of products (see note below)	98,05,21,313	76,47,45,851
	<b>98,05,21,313</b>	<b>76,47,45,851</b>
<b>Note:</b>		
<b>Sale of products comprises:</b>		
<b>Traded goods</b>		
a. Raw milk	94,93,36,818	75,59,13,720
b. Cattle feed	3,10,31,143	87,62,395
c. Others	1,53,352	69,736
<b>Total</b>	<b>98,05,21,313</b>	<b>76,47,45,851</b>
<b>Note 22: Other income</b>		
(a) Interest income:		
(i) On deposits with bank	22,14,430	5,76,610
(b) Other non-operating income		
(i) Membership fees	12,45,045	16,10,601
(ii) Miscellaneous income	13,16,970	5,48,650
	<b>47,76,445</b>	<b>27,35,861</b>

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

	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 23: Purchases of traded goods</b>		
(a) Raw Milk	83,73,30,782	60,84,83,850
(b) Cattle feed and Mineral Mixture	3,59,94,356	93,17,892
	<b>87,33,25,138</b>	<b>61,78,01,742</b>
<b>Note 24: Changes in inventories of stock-in-trade</b>		
<b>Decrease/(increase) in inventories of stock-in-trade</b>		
Inventories at the beginning of the year		
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
Inventories at the end of the year		
Stock-in-transit- Raw Milk	51,32,056	39,01,194
Stock-in-trade- Others	84,21,393	18,81,070
	1,35,53,449	57,82,264
<b>Net decrease/(increase) in inventories</b>	<b>(77,71,185)</b>	<b>2,59,633</b>
<b>Note 25: Employee benefits expense</b>		
(a) Salaries and wages	3,81,87,475	3,12,70,663
(b) Contribution to provident and other funds	25,49,527	20,87,045
(c) Gratuity expenses	9,33,519	7,33,085
(d) Staff welfare expenses	1,83,749	1,96,892
	<b>4,18,54,270</b>	<b>3,42,87,685</b>

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

	Year ended 31 March, 2020 Rupees	Year ended 31 March, 2019 Rupees
<b>Note 26: Finance costs</b>		
(a) Interest expense:		
(i) On term loan	71,61,863	28,24,316
(ii) On bill discounting	1,39,95,735	88,96,566
(b) Interest on delayed payment of statutory dues	82,540	2,22,680
	<b>2,12,40,138</b>	<b>1,19,43,562</b>
<b>Note 27: Other expenses</b>		
(a) Consumption of stores and spares	65,83,935	25,91,703
(b) Power and fuel	20,57,016	14,63,237
(c) Rent	55,80,182	37,16,531
(d) Contractual expenses	2,52,58,521	1,89,33,655
(e) Repair and maintenance - machinery	6,60,437	5,12,411
(f) Repair and maintenance - others	5,11,146	3,33,242
(g) Advertisement and business promotion	-	20,210
(h) Freight, forwarding and distribution expenses	1,29,47,090	5,00,62,395
(i) Insurance charges	4,98,750	9,12,805
(j) Legal and professional fees	35,84,479	17,54,693
(k) Rates & taxes	11,79,678	58,637
(l) Auditor's remuneration (refer note (i) below)	9,66,373	9,22,548
(m) Travelling and conveyance	47,67,938	52,72,059
(n) Communication expenses	15,65,455	9,52,566
(o) Provision for doubtful debts	5,04,234	-
(p) Miscellaneous expenses	18,04,340	17,82,180
	<b>6,84,69,574</b>	<b>8,92,88,872</b>
<b>Note:</b>		
<b>(i) Auditors' remuneration comprises:</b>		
a. Statutory audit fee	6,95,500	6,50,000
b. Tax audit fee	1,07,000	1,00,000
c. Reimbursement of expenses	16,460	31,820
d. GST on above	1,47,413	1,40,728
	<b>9,66,373</b>	<b>9,22,548</b>

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

	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 28: Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>A. Contingent Liabilities</b>		
<b>(a) Claims against the Company not acknowledged as debt :</b>	-	-
There are no claims against the Company acknowledged as debt as on 31 March, 2020		
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	4,92,88,182

**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. 2,549,527/- (previous year Rs.2,087,045) for Provident Fund and other funds 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**

	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Present value of obligations at the beginning of the year	8,14,403	1,78,672
Interest cost	55,379	13,758
Current service cost	6,41,478	6,48,987
Benefit Paid	(3,08,869)	(97,354)
Actuarial (gains)/losses on obligation	2,13,869	70,340
Present value of obligations at the end of the year	<b>14,16,260</b>	<b>8,14,403</b>

**(ii) Amount recognised in the Balance Sheet**

	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Present value of defined benefit obligations	14,16,260	8,14,403
Fair value of plan assets	-	-
Net liability/(asset) recognised in the balance sheet	<b>14,16,260</b>	<b>8,14,403</b>

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

	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Current service costs	6,41,478	6,48,987
Interest cost	55,379	13,758
Net actuarial (gain)/loss recognized during the year	2,13,869	70,340
Expenses recognized in Statement of Profit and Loss	<b>9,10,726</b>	<b>7,33,085</b>

**(iv) Balance Sheet reconciliation**

	<b>31 March, 2020</b>	<b>31 March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Net liability/(asset) at the beginning of the year	8,14,403	1,78,672
Expenses as above	9,10,726	7,33,085
Benefit Paid	(3,08,869)	(97,354)
Net liability/(asset) at the end of the year	<b>14,16,260</b>	<b>8,14,403</b>

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**

	<b>31 March, 2020</b>	<b>31 March, 2019</b>
Discount rate	6.54% p.a.	7.70% p.a.
Expected salary escalations	10.00% p.a.	7.00% p.a.
Attrition rate:		
Below 30 Years	15%	3%
Ages 31-44 Years	15%	2%
Ages 44 and Above	15%	1%
Mortality table used	IALM (2012-14) ultimate	IALM (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.

<b>(vi) Experience adjustments as on</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>	<b>31 March, 2018</b>
Present value of DBO	14,16,260	8,14,403	1,78,672
Fair value of plan assets	-	-	-
Funded status	14,16,260	8,14,403	1,78,672
Gain/(loss) on obligations	(2,13,869)	(70,340)	-
Gain/(loss) on plan assets	-	-	-

**(vii) 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. 5,580,182 in the Statement of Profit and Loss.

**Future minimum lease payment are:**

Particulars	As at 31 March, 2020 Rupees	As at 31 March, 2019 Rupees
Payable not later than one year	8,38,555	11,18,074
Payable later than one year but not later than five years	-	8,38,555
	<u>8,38,555</u>	<u>19,56,629</u>

**Note 31: Earnings Per Equity Share**

Particulars	Unit	Year ended 31 March, 2020 Rupees	Year ended 31 March, 2019 Rupees
Net profit after tax	Rupees	(2,24,87,257)	1,23,879
Weighted average number of equity shares outstanding during the year	Numbers	2,30,781	82,455
Nominal value per Equity Shares	Rupees	100	100
Basic earnings per share	Rupees	(97.44)	1.50
Equity shares used to compute diluted earnings per share	Numbers	2,59,427	83,998
Diluted earnings per share	Rupees	(86.68)	1.47

**Note 32: Details of Government grants**

Particulars	As at 31 March, 2020 Rupees	As at 31 March, 2019 Rupees
Details of grants received from NDDB and its utilisation is as under:		
Opening balance	4,32,91,392	3,31,41,432
(a) Received during the year	1,12,92,745	13,41,62,000
	<u>5,45,84,137</u>	<u>16,73,03,432</u>
(b) Utilised during the year		
(i) For capital assets (Refer Note below)	2,39,93,038	9,32,93,399
(ii) For revenue expenses	2,46,15,921	3,07,18,642
Total utilised	<u>4,86,08,959</u>	<u>12,40,12,041</u>
(c) Balance carried forward (a-b)	<u>59,75,178</u>	<u>4,32,91,392</u>

**Note:**

Utilisation of grant towards purchases of capital asset comprises of the following:

Additions to property, plant and equipment (Refer Note 14)	3,57,32,553	9,46,10,485
Less: Additions to property, plant and equipment from opening capital work-in-progress	<u>(1,41,72,491)</u>	<u>(1,54,89,577)</u>
	2,15,60,062	7,91,20,908
Add: additions to assets under installation (CWIP) during the year	24,32,976	1,41,72,491
Total	<u><u>2,39,93,038</u></u>	<u><u>9,32,93,399</u></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).

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

**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**

<u>Nature of Relationship</u>	<u>Name of Entity</u>
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:**

<u>Particulars</u>	<u>KMP</u>
	<u>(Rupees)</u>
<b>Managerial remuneration:</b>	
Sandeep Kumar	23,63,969 (20,12,203)

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.

	<u>As at March 31, 2020</u>	<u>As at March 31, 2019</u>
	<u>Rupees</u>	<u>Rupees</u>
<b>Amount remaining unpaid to suppliers under MSMED as at the end of the year</b>		
- Principal Amount	53,30,533	-
- Interest thereon	-	-
<b>Amount of payments made to suppliers beyond the appointed day during the year</b>		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
<b>Interest accrued and remaining unpaid</b>		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

**Note 35:**

As at 31 March, 2020, the Company has received Rs. 1,05,90,200 as share application money pending allotment towards equity shares, against which allotment has been made for Rs. 96,83,600 and for Rs. 1,79,200 at the Board meeting held on 13 June, 2020 and 09 September, 2020 respectively. 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:**

On September 20, 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Income tax at reduced rate of 22% effective April 1, 2019 subject to certain conditions. The tax expenses for the year ended 31 March, 2020 have been provided for at reduced tax rate.

**Note 38:**

The Ministry of home affairs vide order No.40-3/2020 dated 24.03.2020 declared the Company's business of trading of milk and other dairy products as an essential service. Hence, dairy industry in which the Company operates is among the businesses that are least impacted due to COVID-19. The Company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the company is not expecting any significant change in estimates as of now as the company is running its business and operations as usual without any major disruptions.

**Note 39:**

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  
DIN-07773889

**Sd/-**  
**Raj Kishore Kumar**  
Director  
DIN-08312408

**Sd/-**  
**Sandeep Kumar**  
Director & Chief Executive  
DIN 08036384  
Place: Motihari  
Date: 24.10.2020

**Sd/-**  
**Shriman Narayan Pandey**  
Company Secretary

**BAPUDHAM MILK PRODUCER COMPANY LIMITED**

CIN NO. 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

**PROXY FORM**

Folio No .....

Member

Code:

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I.....  
 residing at.....being member of Bapudham Milk Producer Company Limited, hereby appoint Mr./Mrs.....having Folio no.....residing at .....or failing him/her Mr./Mrs. ....having Folio no..... residing at .....as my proxy to vote for me and on or my behalf at the 4<sup>th</sup> Annual General Meeting of the Company to be held on 9<sup>th</sup> December, 2020 at Hotel Ramsan Plaza, Bariyarpur, NH-28, Motihari- 845401 at 9.00 am and at any adjourn thereof.

<p><b>Affix          Rs. 1.          Revenue          Stamp</b></p>
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Signed this .....day of .....2020

Signature

(A) To attend : \_\_\_\_\_

(B) To attend and Vote : \_\_\_\_\_

Note: The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. Proxy need to be a member.

**BAPUDHAM MILK PRODUCER COMPANY LIMITED**

CIN NO. U01110BR2017PTC034288

Regd. Office: "Ujjawal Complex", 2<sup>nd</sup> Floor, 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

**ATTENDANCE SLIP**

Folio No: .....

Member  
Code:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I hereby record my presence at the 4<sup>th</sup> Annual General Meeting of Bapudham Milk Producer Company Limited held on ....., ..... December, 2020 or at any adjourned thereof.

**Name of the Shareholders**.....

**Name of Proxy** ..... (in case of proxy attending the meeting)

(A) To attend : \_\_\_\_\_

(B) To attend and Vote : \_\_\_\_\_

**Signature of the Shareholder/Proxy\***

\*strike out whichever is not applicable

## 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**.