

9th Annual Report

2020-21



पं **PAAYAS**[®]
पायस मिल्क प्रोड्यूसर कम्पनी



Values

Honesty and Transparency
Team Spirit
Quality and Excellence at every level
Long term vision
Innovation
Passion



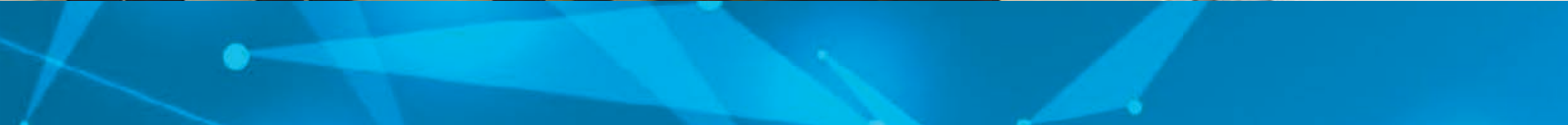
Mission

Paayas Milk Producer Company is committed to increase the income of their members by reducing the cost of milk production and enhancing their milk business.



Vision

Being committed to its mission, Paayas Milk Producer Company shall become one of the pioneer companies among world dairy enterprise and shall prove to be the first choice of its members, customers and employees.



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9th Annual General Meeting



Corporate Information

(As on March 31, 2021)

Board Of Directors

Chairperson

Smt. Mamta Choudhary

Directors

Smt. Geeta Devi Gurjar
Smt. Mamta Choudhary
Shri Sed Mal Sharma
Shri Jai Singh Rathore
Shri Sukhpal Jat
Shri Narayan Lal Gurjar
Shri Ramcharan Jat
Shri Sushil Kumar Vaishnav
Shri Ladu Lal

Expert Directors

Dr. C. L. Dadhich
Shri Sriram Singh
Dr. C. P. Devanand

Director & Chief Executive

Shri Ratan Kumar Singh

Company Secretary

Shri Anup Gupta

Chief Financial Officer

Shri Kapil Pachori

Statutory Auditors

S. B. Billimoria & Co.
Chartered Accountants, Gurugram

Internal Auditors

Ernst & Young LLP
Chartered Accountants, Gurugram

Bankers

State Bank of India, Jaipur
HDFC Bank, Jaipur
ICICI Bank, Jaipur
BOB, Jaipur
PNB, Jaipur
Axis Bank, Jaipur

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
Plot No. NH 2, First Floor,
Noble Heights, C-1, Block,
Janakpuri,
New Delhi-110058

Registered Office

Paayas Milk Producer Company Ltd.
(CIN:U01211RJ2012PTC038955)

D-232, 233, 4th Floor, Atlantis Tower, Vaishali Nagar,
Jaipur 302021, Rajasthan, India | Phone no. 0141-2352736
Website: www.paayasmilk.com | Email: info@paayasmilk.com

About Company

Livestock sector is an important sub-sector of agriculture of the Indian economy. It forms an important livelihood activity for most of the farmers, supporting agriculture in the form of critical inputs, contributing to the health and nutrition of the household, supplementing incomes, offering employment opportunities and finally being a dependable “bank on hooves” in times of need. It acts as a supplementary and complementary enterprise.

The animal husbandry and livestock sectors are critical for the rural Indian economy, especially for small and marginal farmers. They not only contribute to their income but also provide the best insurance against any natural calamity. The growth in livestock sector is demand-driven, inclusive and pro-poor. Incidence of rural poverty is reportedly less in states where livestock accounts for a sizeable share of agricultural income as well as employment.

Rajasthan with geographical area of 3.42 lack sq. km is the largest state in the country with a large part of the state being arid or semi-arid. The climatic conditions are adverse with scarcity of water for irrigation and erratic rains with very low average annual rainfall. These conditions leave a little scope for crop

production and enhance the importance of animal husbandry over the crop production especially during recurrent droughts. Livestock sector makes multifarious contribution to overall welfare in terms of generating more employment opportunities, especially for marginal and small farmers and landless labourers, alleviating poverty and stabilizing farm income. The state has several cattle breeds, the important being Tharparkar, Rathi, Gir, Kankrej, Nagouri, Haryana, Malvi, Sanchori and Mehwati. Murrah buffalo is the most preferred breed found in Rajasthan though Surti is also popular in the southern parts of Rajasthan. The total bovine population consisting of Cattle & Buffalo in Rajasthan was 26.3 million numbers in 2012. It has increased by 13 per cent over the previous census. The state is second highest in milk production in the country. Of the total milk produced, 53 per cent is buffalo milk, 36 per cent is cattle milk and 11 per cent is goat milk. Approximately, 50 per cent of the milk produced is sold in the market and only 25 per cent is consumed at home as liquid milk. Remaining 25 per cent is converted into milk products.

In Rajasthan, the livestock keepers have traditionally relied on common grazing lands.





With the growth of mining industry and other reasons, the permanent pastures and other grazing land reduced from 1.9 million ha in 1990-91 to 1.7 million ha in 2009-10. Due to shrinking grazing land, now the dairy farmers are shifting from extensive open grazing system to semi-intensive and intensive stall feeding system. Dairying is the most reliable source of earning to farmers in Rajasthan but with disappearing grazing land, restricted forest and stall feeding, the bovine are facing a severe shortage of fodder.

Importance of producer owned enterprises/producer companies is of greater significance in the current market economy to serve as countervailing force against possible exploitation of specially small & marginal producers in the state. Based on the earlier interaction National Dairy Development Board (NDDDB) had with the Government of India (GOI), the Companies Act was amended incorporating provisions for incorporation of a Producer Company. Paayas Milk Producer Company Limited (Paayas) is the first of its kind promoted in the country by National Dairy Development Board Dairy Services (NDS) with the following objectives.

1. To carry on the business of pooling, purchasing, processing of milk and milk products primarily of the Members and also of others, marketing of the same and to deal in activities that are part of or

incidental to any activity related thereto.

2. To provide or arrange to provide technical and managerial services in the areas of breeding, feed/fodder, veterinary services to increase milk production for the benefit of the Members.
3. To provide education, training and other activities which may promote the principles of mutuality and mutual assistance amongst the Members.
4. To arrange that the quality of milk received from the Members and others meets with the standards laid down by the Company and the statutory authorities.
5. To carry on the business of purchasing, producing, processing, selling, trading, import, export etc. of primary produce and its derivatives including but not limited to edible oil, fruits and vegetables primarily of the members and also of others, marketing of the same and to deal in activities that are part of or incidental to any activity related thereto.
6. To extend various financial services to the Members.

A business enterprise registered under the provisions of Part IX A of the Companies Act, Paayas is run on the basis of Mutual Assistance Principles- voluntary membership, voting rights independent of shareholding, an elected board, distribution of surplus on patronage basis, limited dividend, education

of members and co-operation with other organisations. The company combines the institutional strength of mutual assistance with the operational & business flexibility available under the company law. The corporate structure enables better autonomy, better professional management and governance etc.

To achieve the same, Paayas has adopted certain core design principles and appropriate practices as follows

1. Business only with members
2. Active user membership and their participation in business and governance - No Free Riders
3. Member equity in proportion to patronage - 'building skin in the game'
4. Patronage based member classes and member class representation on the Board to ensure inclusiveness in governance
5. Appropriate mechanism for member communication and grievance redressal.
6. Professionally managed business operations and continuous capacity building of all stakeholders.
7. Building an efficient value chain management for maximizing returns to members.
8. Leveraging technology for information and data management to ensure transparency and deliver need based services.

The salient features of the company are as follows.

1. Membership open only to milk producers
2. Owned by producer members
3. One member - one vote
4. No trading of shares
5. Limited return on share capital

Milk producers willing to become members may apply in a prescribed application form and undertake to abide by the provisions of Memorandum of Articles of Association of the company. The company functions on a single tier arrangement in which the members are direct beneficiaries. At the end of the financial year, they receive limited return on share capital. The Board consists of 11 farmer directors, 3 expert directors and a Chief Executive who is appointed by the Board.

Paayas members get benefits of a fair and transparent system of milk collection, competitive price and timely credits to respective bank accounts, as well as incentives and patronage-linked bonuses on one hand and a robust productivity enhancement services such as Balanced Cattle Feed, Rajasthan Specific Mineral Mixture, Ration Balancer, Quality Fodder Seed, Ration Balancing Program, Artificial Insemination at their door step, on the other. In addition, the company facilitates Group Mediclaim & Life Insurances for members.





The Year in Retrospect

The major part of the year marred by Covid - 19 remained extremely painful for the human kind. Safety of all concerned remained a major issue. Dairy business largely stood affected due to sharp reduction in the demand of packed market milk and dairy commodity nationwide. The previously mentioned in turn adversely impacted market sentiment leading to sizable drop in milk producer prices as compared to the previous year leading to fall in farmer's income from sale of milk. This in turn adversely affected feeding of animals. In addition, several operational issues such as packing material / spare part / liquid nitrogen availability, milk vehicle movement etc were faced.

Despite adverse circumstances, Paayas, within the institutional frame work, made all possible efforts to discharge its responsibilities uninterrupted. Remittance of producer payment to the farmer members in their respective bank account continued with clock like punctuality. Acknowledging our humble effort, major banks - ICICI & HDFC felicitated the company for serving the society during pandemic.

To encourage digital milk bill payment to milk producers, in the interest of fairness and transparency, National Dairy Development Board (NDDB) decided to honour three milk producers from small (annual milk bill payment upto Rs. 50000), medium (annual milk bill payment from Rs. 50000 to Rs. 100000) and large (annual milk bill payment over Rs. 100000) categories basis laid down criteria by organizing a state wise Digital Dugdh Utpadak Puraskar contest. Paayas milk producer members won in all the previously mentioned three categories, registering a clean sweep in the state.

It is further heartening to learn that Paayas bagged the following prominent awards from reputed organizations as follows.

1. Agriculture Today picked Paayas for the Best Large Sized Company Award and conferred the same in a virtual function chaired by the Secretary (Dairy Development), Government of India, in presence of CEO - Agriculture Today, industry luminaries and leading academicians.
2. World HR Congress selected Paayas for Rajasthan Best Employer Award 2020 and conferred the same on us during a virtual function in presence of CEOs / senior management teams of Rajasthan based organizations.

It is inspiring to receive the said recognition early during our journey.





Best Employer Brand Award 2020
by World HR Congress



CEO with HR Orientation Award 2020
by World HR Congress

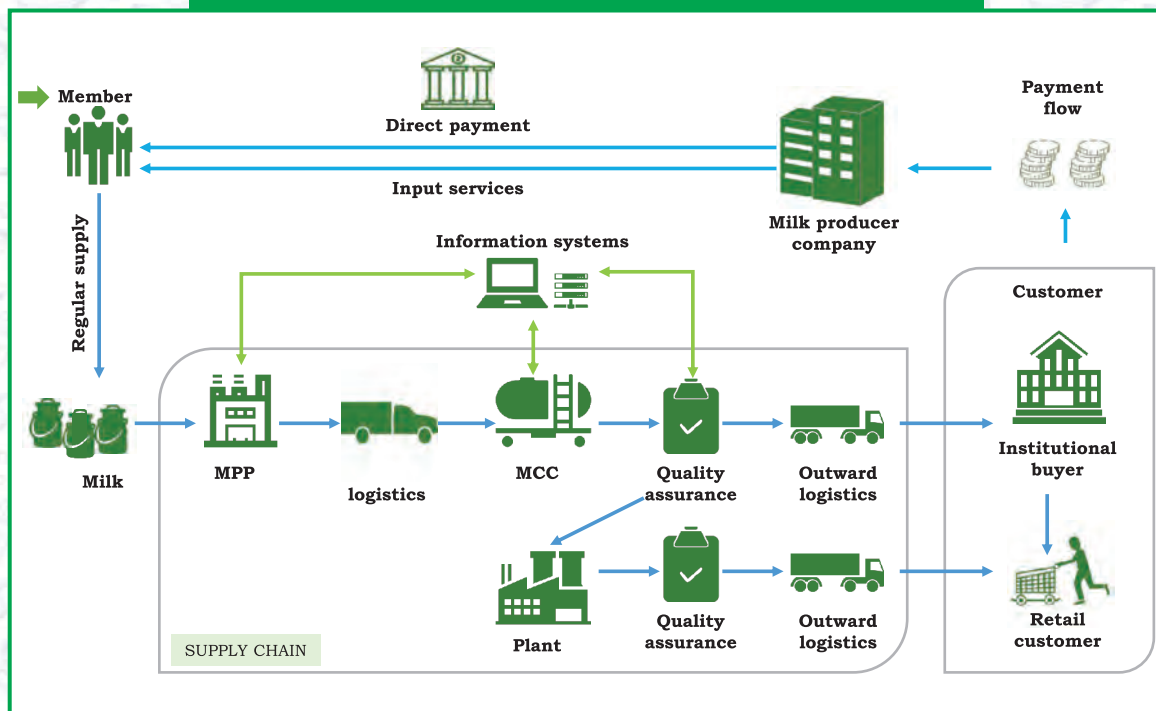


Dairy Value Chain

Fairness and Transparency, being the focal points, each Milk Pooling Point (MPP) located at village level is equipped with automatic weighing, testing and generating milk receipt systems with adequate maintenance support and with SOP in place. As a further step towards accuracy and speed, the company has gradually phased out Pen drive and printer & has graduated to GPRS which not only facilitates swiftness and precision, but also is environment friendly, with fairly encouraging outcome in terms of member's delight / increasing member's bonding with the organisation. Similarly, at Milk Chilling Centres, operations are automatic and transparent making the entire value chain fair and member oriented.

With an aim to pass on benefits of this system to new producers / broaden membership base , the company inducted fresh milk producers as members. The said expansion of member network remained quality oriented with milk producers agreeing to follow institutional norms and to receive payment through their respective bank accounts. Bringing all the members under banking, despite inadequate banking density in rural Rajasthan, is a major accomplishment, putting a closure on issues arising out of sahayak handling member's payment, forever. At this scale of membership / milk volume, we are among the pioneers in the state / country to have achieved this feat in the organized dairy sector.

A diagram depicting the Dairy Value Chain is as follows.



Outsourced Chilling and Processing Facilities





Quality Policy

We, at Paayas Milk Producer Company Limited, are committed to production and supply of safe and quality milk and milk products to our customers while continuing to optimize returns to producer-members.

We strive to achieve our goals through:

- ☑ Developing a network of producer-members committed to Institutional norms, Quality and productivity.
- ☑ Efficient utilization of resources, attention on reducing wastage and non value adding activities.
- ☑ Identifying and applying innovative practices and state-of-the-art technology.
- ☑ Developing empowered and motivated work force committed to quality and continuous improvement.
- ☑ Helping employees and producer-members to upgrade their skills.
- ☑ Complying with statutory and regulatory requirements.



Quality Environment

Quality continues to remain a major thrust area. To achieve quality leadership, a comprehensive quality plan is in place. There is a battery of analytical tests which milk has to pass to enable system to clear it for further processing. Extensive education is being imparted on clean milk production to farmer members /Sahayak to preserve milk quality at village level. Adequate capacity stands created for its speedy reception and cooling. Similarly, a quality protocol remains in place during processing and packing of milk & milk products. Only milk & milk products meeting laid down standards are released for market. In addition, the company organizes testing of milk & milk products from external laboratories and feedback from consumers on quality aspects. Adequately competent and trained manpower is in place to carry out quality functions at various stages of dairy value chain. Because of its rich taste & flavor, Paayas milk & milk products have been finding consumer's acceptability across markets in a relatively short span of time.

Milk Procurement

Paayas, over the years, has built a robust technology based milk procurement system basis which milk is directly procured from the farmer members in a transparent fashion. At present , there are 3532 village based milk pooling points having over 110000 farmer member families scattered in 8 districts of Rajasthan – Jaipur, Ajmer, Tonk, Dausa, Sikar, Pali, Bhilwara and Nagaur from where milk is harvested. Post milk collection through GPRS enabled DPMCU, acknowledgment pertaining to milk quantity, quality, per unit rate, total value etc stands transmitted on members mobile instantly in form of sms/app notification. Basis the aforesaid, member's payment is processed and remitted in their individual bank account with a message about the same. The company procured 6.93 lakh kg milk per day, with an impressive April to September & October to March ratio of 1: 1.3. There also exists separate cow milk collection and processing facility in selected area with a view to collect and supply cow milk to interested buyers. Comparing it with 2013-14, there has taken place a healthy CAGR growth of 11 percent despite the unfavorable circumstances. Payment of INR 930 crore was made in farmer member's bank accounts which is an exciting 86 percent of a consumer rupee from out of sale of milk & milk products. In addition, the company proposed to pay @ Rs. 7 per share as dividend to the farmer members. The operations are SOP driven with periodic audits in place.







Producer Institution Building

To educate stakeholders on various issues, the company organized the following major interventions.

1. Producers Awareness Programme
2. Women Awareness Programme
3. Rural Youth Awareness Programme
4. Children Awareness Programme
5. Clean Milk Production Programme

While working methodically with farmers/ farmer groups, our observation is that Paayas acceptance has gradually been growing among them. Farmers have been developing an urge to become Paayas member to reap benefits of a fair and transparent procurement system on one hand and the productivity enhancement services on the other. They eagerly await for periodic membership drive to enable them help themselves being enrolled as a member. This is established by the membership progression from 37824

members in 2013-14 to 110781 members in 2020-21 posting a sizable 17 percent CAGR growth. Out of the above, an overwhelming 43057 members (39 percent) are women. The company owes a word of gratitude to the existing members who have been playing a constructive role in this endeavour by educating fellow farmers about the company and the benefits that membership brings to them.

Measures were taken to strengthen Village Contact Groups (VCG) and Member Relation Groups (MRG) which are instrumental in fostering relationship between the Members and the Company.

In addition, the company has put a Grievance Redressal Officer (GRO) in place who is responsible for organizing redressal of member's grievances in an organized manner with proper record keeping.



Dairy Product Profile

The company markets Dairy Products under brand PAAYAS. The following type of milk and milk products are currently being manufactured and marketed.

Variant	Type	SKU
Fit N Fine	Double Toned Milk	200ml, 500ml, 1 litre, 6 litre
Tazza	Toned Milk	200 ml, 500ml, 1 litre, 6 litre
Gold	Full Cream Milk	500ml, 1 litre, 6 litre
Tea Special	Homogenised Toned Milk	200ml, 500ml, 1 litre, 6 litre
Curd (made out of toned milk)	Fermented Milk	85 g cup, 180 g cup, 1 kg polypack
Curd (made out of double toned milk)	Fermented Milk	180 g polypack, 5 kg polypack, 5 kg matka pack
Butter Milk	Fermented Milk	400ml
Spiced Butter Milk	Fermented Milk	200 ml
Ghee	Clarified Milk Fat	500 ml, 1 litre Ceka pack, 2 litre tin pack, 5 litre tin pack, 15 kg tin pack

Clean and wholesome milk procured from members is used to produce dairy products. Post catering to retail market, surplus milk is marketed to interested buyers. Emphasis remains on quality and consistency, enabling the company create a place for itself in a fiercely competitive market in a relatively short term.

Due to market plummeting sharply on account of Covid – 19 / lock down, packed milk & milk product volume registered a major dip.





Animal Nutrition Product Profile

The Company markets animal nutritional products – Balance Cattle Feed, Rajasthan Specific Mineral Mixtures & Ration Balancer under MUDRIKA brand. The nutritional products are manufactured according to Paayas quality specifications.

Animal Feed

The Company continues organizing distribution of Quality Mudrika Balanced Cattle Feed for milk Producers. Feed is available in two variants - Mudrika Plain and Mudrika Gold. Despite adverse circumstances, the company distributed close to 29000 MT balanced cattle feed posting a healthy CAGR growth of 39 percent.



Rajasthan Specific Mineral Mixture / Ration Balancer

Rajasthan Specific Mineral Mixture is available in chelated form. Like Cattle Feed, the acceptability of Mudrika Mineral Mixture has also been growing steadily in course of time. Ration Balancer is a special feed supplement which is beneficial for dairy animals to enhance optimum milk yield as per their respective capacity. Despite adversities, we distributed over 110 MT of the aforesaid products, registering an CAGR growth of 38 percent.



Ration Balancing Programme (RBP)



The Objective of RBP Sub Project is to create awareness amongst milk producers on optimization of animal feeding by efficient utilisation of locally available feed resources at the possible least cost.

Following are the Key Stages:

1. Registration of animals
2. Evaluation of animals nutrient status
3. Formulating least cost ration with locally available feed resources
4. Repeat Advice





Key Achievements

Key Result Indicators	Achievement
Trained LRPs deployed (no.)	1528
Villages covered under RBP (no.)	2769
Animals covered under RBP (Lakh.)	2.03
Producers covered under RBP (Lakh.)	1.32
Reduction in feeding cost per kg of milk for animals covered (%)	10





Fodder Development (FD)

The Objective of FD Sub Project is to promote conservation of green fodder and crop residues by demonstrating silage making, use of mowers and biomass storage silos.

The Company undertook the following programmes:

1. Mower Demonstration
2. Silage Demonstration
3. Biomass Storage Bunker

Besides, Paayas has introduced low-cost Silage bags (Capacity 500 kg) on its own, with fairly encouraging results. The farmers made 45 such bags this year.

Besides, the company has aggressively been promoting use of improved fodder seed to help producers in an otherwise fodder deficient state. About 630 quintal good quality hybrid seeds - Lucern, Sorghum and Millet Seeds, was distributed posting a notable annual CAGR growth of 87 percent.



Key Achievements

Key Result Indicators	Achievement
Mower (Manual & Auto) Demonstration (no.)	189
Village covered under demonstration (no.)	455
Producers seen demonstration (no.)	5291
Producers adopted use of mowers (no.)	199
Silage making Demonstration (no.)	417
Village covered under demonstration (no.)	564
Producers seen demonstration (no.)	7214
Producers adopted the technology (no.)	728
Biomass Storage Silo Construction (no.)	3
Farmer Training at Model Training Farm	1539



Artificial Insemination (AI)



The objectives of AI sub project are:

1. To provide quality AI services at producers door step using top genetics available in the country aimed at producing superior calves with higher productivity.
2. To provide efficient service following SOP through well trained and qualified AI Technicians aimed at improving the conception rate and reducing the inter calving interval and increasing the productive life of the animal.
3. To provide infertility management

support to dairy producers aimed at reducing infertility problems in field and reducing 'inter calving period' thereby increasing the proportion of 'In milk' animals in a given year leading to increased milk production.

4. To provide advisory services to producers with respect to animal health, animal breeding and animal nutrition for creating awareness about profitable dairy animal management
5. To capture and maintain the breeding data of all the inseminated animals linked to unique identification number to determine 'reproductive efficiency' of bulls, cow and evaluate the qualitative performance of AI technicians, region or a state and to implement management changes based on objectively gathered data.

Despite sizable operational issues, the company continued AI programme vigorously in the interest of milk producers.



Key Achievements

Key Result Indicators	Achievement
MAITs (no.)	350
Village Covered (no.)	4018
AI done (Lakh.)	15.61
AI conception rate based on First AI follow up (%)	45







Model Dairy Farm

With Technical assistance from National Dairy Development Board Dairy Services (NDS), the company successfully established a total of 15 Model Dairy Farms in Jaipur, Ajmer, Sikar, Tonk and Bhilwara districts. The key interventions are as follows

- Cow Comfort - Housing & Heat Stress
- Management (Free Housing for Animals)
- Free Access to Drinking Water
- Controlling of Mastitis (California Mastitis Test(CMT) & Teat Dip)
- Deworming & Vaccination
- Calf & Heifer Care “Calf to First Calving”
- Preventive Health Care
- Heat Detection & Calving (Breeding Calendar)
- Silage Preparation
- Vermi-compost
- Azola Farming
- Milking Machine
- Soil, Water, Fodder and Manure Resource Management
- Assessment of Farm Economics through Maintaining Farm Record Book

More than 900 Producer Members have been trained on above mentioned improved animal husbandry practices.

Bio Gas Plant

In collaboration with NDDDB, the company, as a step towards encouraging clean/renewable energy, implemented Bio Gas project which the beneficiary found advantageous.





Technological Advancement

The Company reaped sumptuous benefits as detailed below by adopting the following Technology

Enterprise Resource Planning-SAP

It aids in seamless integration of operations and improved reliability and processing speed. Some added benefits are as follows

- One system fulfilling all requirements with seamless integration of processes
- Synchronization between IMMS and SAP
- Milk Payment processing time reduced significantly
- Enabled Payment SMS to Individual Members.

The Company has also established a robust Data Centre Solution to host IT Infrastructure Component and Managed Services.

General Packet Radio Service (GPRS)

It enables Milk Data transfer from MPP to Central Server in real Time & Milk Pricing & Member Data from Central Server to MPP

Mobile Technology

Field force is the face of the Company while interacting with Members and Sahayak at the Village level. The Company continued empowering by providing them with a set of Mobile Tablets. This helps fetch the relevant information on regular basis to enable them discharge their responsibilities effectively.

Call Centre for Field Engineering Services

A Call Centre with an appropriate SOP was established to support Field Engineering Services in managing Equipment Breakdown at MPP level in a systematic manner.



हमारे बारे में



पायस सदस्या मित्र

वर्जन 1.10.0

पायस सदस्या मित्र के बारे में

दुग्ध उत्पादक एक क्लाइड आधारित ऑनलाइन एप्लिकेशन है जिसका उपयोग सोसाइटी / एमपीसी स्तर पर दूध संग्रह की प्रक्रिया में शामिल विभिन्न गतिविधियों को नियंत्रित करने और निगरानी करने के लिए किया जाता है। एमपीसी, डीपीएमसी, डीपीएमसी, डीपीएमसी के सदस्यों को क्लाइड सॉफ्टवेयर पर ऑनलाइन ड्राइवर बन दिया जाएगा और उस डेटा को तुरंत मिल्क प्रोड्यूसर्स ऐप पर दाटा दिया जाएगा, जहां उपयोगकर्ता एमपीसी पर दिए गए दूध को दूध की गुणवत्ता, बसा, एसएनएफ आदि जैसे विभिन्न मापदंडों के साथ देख सकता है। ऐप में सदस्य पासबुक, समय भूगतान स्थिति, दैनिक दूध संग्रह अवलोकन आदि जैसी विशेषताएं भी हैं, जो कि याफिकली भी प्रदर्शित की गई हैं।

कंपनी के बारे में

पायस मिल्क प्रोड्यूसर कंपनी लिमिटेड कम्पनी अधिनियम 1956 के भाग IX-ए के अंतर्गत 19 मई 2012 को विगमित की गई थी। कम्पनी को, सदस्यता हेतु आवेदन करने वाले दुग्ध उत्पादकों से अत्यधिक उत्पादकता प्रतिक्रिया प्राप्त हुई और जिसके फलस्वरूप कम्पनी ने अपने अधिनियमित होने के तीन वर्ष के भीतर राजस्थान के 112,263 दुग्ध उत्पादकों को सफलतापूर्वक सदस्यता आबद्धित की है। वर्तमान में, कम्पनी राजस्थान के आठ जिलों में अपने कार्यों का संचालन कर रही है और प्रतिदिन राजस्थान के 3600 गांवों में फैले हुए अपने उत्पादक सदस्यों से औसत 10,50,000 लीटर ताजा कच्चा दूध एकत्रित करती है।

डैशबोर्ड

कुल कलेक्शन (₹)

दूध संग्रह (₹) 0, दूध बका 0, दूध बका 0, दूध बका 0

आज का कलेक्शन (Last synced)

सुबह 0, पल 0, ANM 0, 0

पिछले दस दिन का कलेक्शन (00/00/00 - 00/00/00)

वाचा (ली.)

कुल मात्रा 0.00, औ. फैट% 0.0, औ. एसएनएफ% 0.0, कुल राशि (₹.) 0.00


BHOLU RAM JAT

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डैशबोर्ड, नवीनतम भुगतान, पासबुक, रिपोर्ट, सूचनाएं, समाचार, सेटिंग, मेरी प्रोफाइल, हमारे बारे में, लॉग आउट

मेरी प्रोफाइल

पायसवर्क सदस्य



PAAYAS MILK PRODUCER COMPANY LIMITED
Malpura - 00002
संबद्ध एमपीसी: Kalmanda - 116

BHOLU RAM JAT
0802600700040002
9928251781
लिंग: M
कुल पशु: 0
गांव: KALMANDA
तहसील: MALPURA
जिला: TONK
राज्य: RAJASTHAN

रिपोर्ट

वार्षिक रिपोर्ट 2020-21

कुल दिन	मात्रा (ली.)	फैट %	एसएनएफ %	राशि (₹.)	
कुल	97	381.10	6.5	8.9	15590.62

विवरण देखने के लिए नीचे दिए गए आइटम पर क्लिक करें

Apr 20	दिन: 15	फैट %: 6	एसएनएफ %: 8.8	मात्रा (ली.): 65.4	राशि (₹.): 2638.29
May 20	दिन: 23	फैट %: 6.5	एसएनएफ %: 8.8	मात्रा (ली.): 105.5	राशि (₹.): 4200.62
Jun 20	दिन: 27	फैट %: 7.1	एसएनएफ %: 9	मात्रा (ली.): 104.3	राशि (₹.): 4568.55
Jul 20	दिन: 25	फैट %: 6.3	एसएनएफ %: 8.9	मात्रा (ली.): 84.9	राशि (₹.): 3347.72
Aug 20	दिन: 7	फैट %: 6.4	एसएनएफ %: 9	मात्रा (ली.): 21	राशि (₹.): 835.44
Sep 20	दिन: 0	फैट %: 0	एसएनएफ %: 0	मात्रा (ली.): 0	राशि (₹.): 0

भुगतान विवरण

दूध की मात्रा

कलेक्शन/भुगतान समरी

मात्रा (ली.): 31.20, फैट %: 6.3, एसएनएफ %: 8.9, कुल दिन: 11, भुगतान दिनांक: 31/07/20

शुद्ध भुगतान राशि (₹.): 1231.67

Milk Amount	1231.67	+
Share Ded.	0.00	-
Cattle Feed Ded.	0.00	-
Add. Share Ded.	0.00	-
Ghee Sale Ded.	0.00	-
Subsidy	0.00	+
Paid Amount	1231.67	+

पासबुक (21/07/2020 - 31/07/2020)

शिफ्ट-सी.	मात्रा (ली.)	फैट %	एसएनएफ %	वट (₹.)	राशि (₹.)	कलेक्शन समय
21 M-B	3.4 A	6.5 A	9 A	40.52	137.77	07:21
22 M-B	2.7 A	6.3 A	8.8 A	39.15	105.7	07:18
23 M-B	3.1 A	6.2 A	9 A	38.77	120.19	07:03

Paayas Sadasya Mitra App

As a further step towards transparency, the company has developed a mobile app for members. The members can get the following major information with one click.

- ☆ Daily pouring notification containing quantity, percent fat / SNF, total value of poured milk
- ☆ Cycle wise producer payment notification
- ☆ Membership pass book containing history of patronage data
- ☆ Members find the said app very useful.





Capacity Building

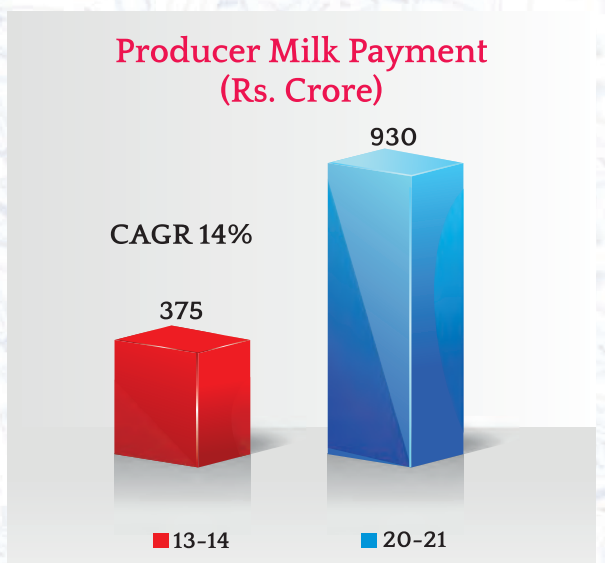
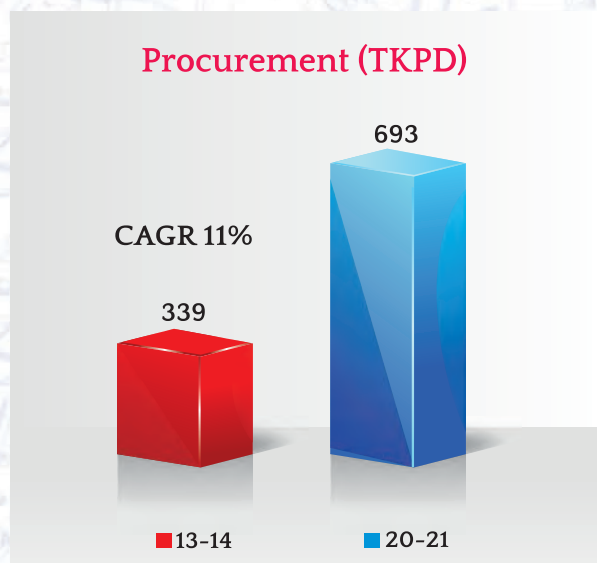
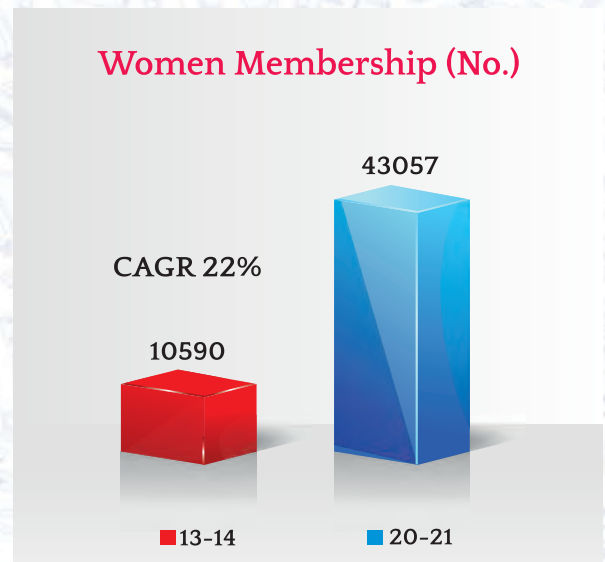
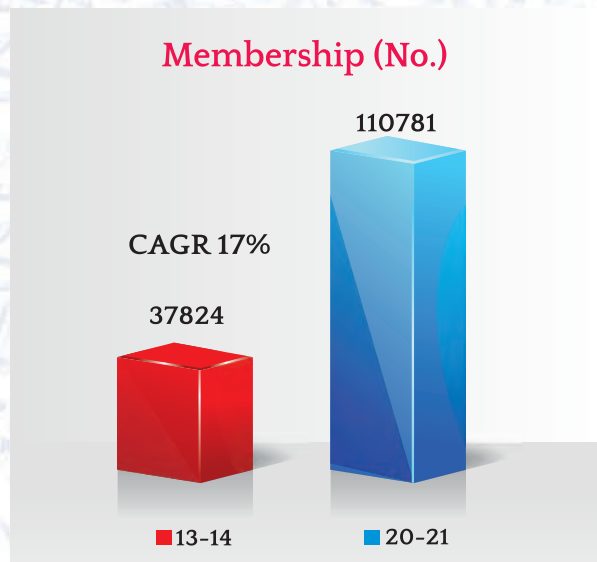
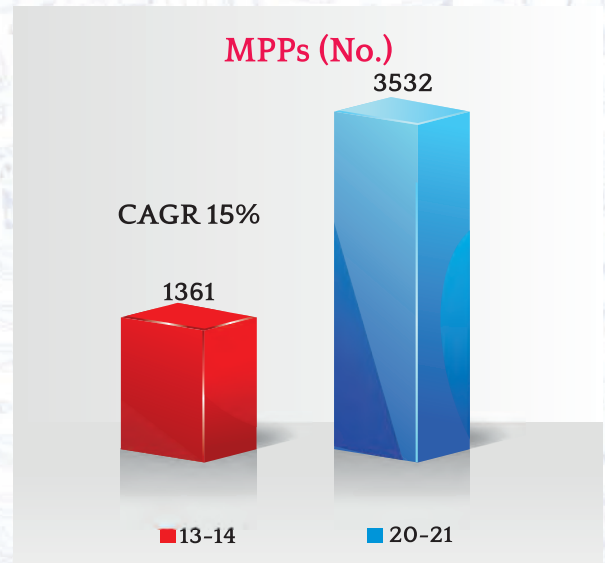
Following is the list of Training Programmes organised last year across various verticals:

Village Based Milk Procurement Systems

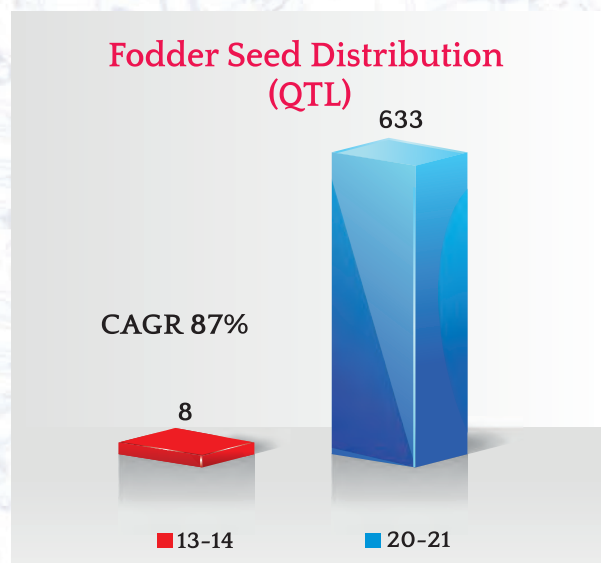
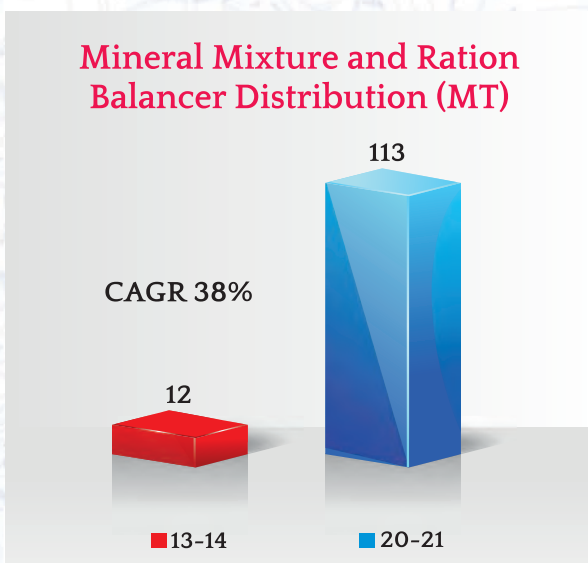
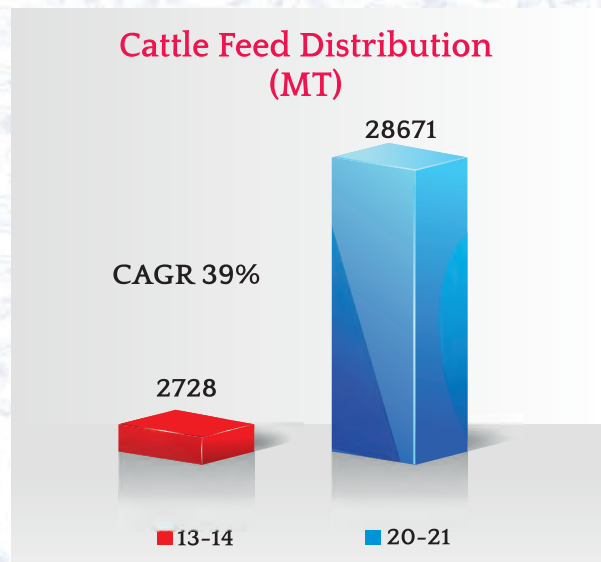
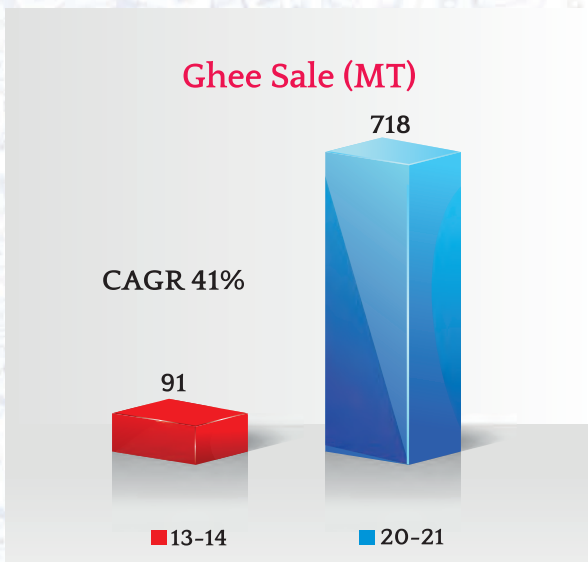
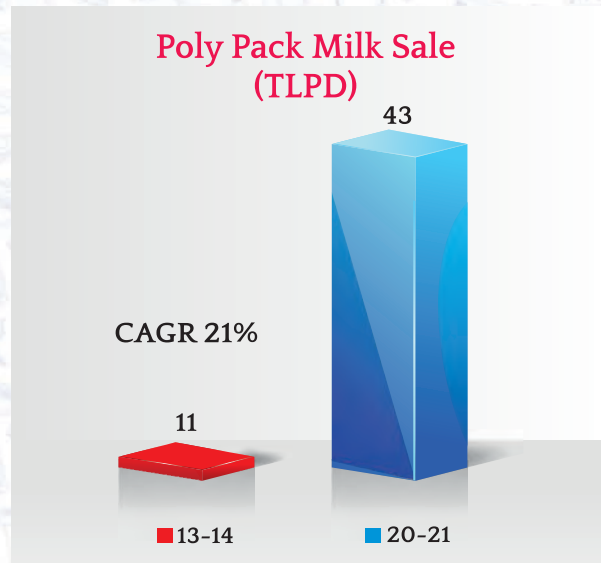
Name of the Programme	Partakers	No. of participants
Producer Awareness Programme	Milk Producers	89897
Awareness Programme on Quality & Clean Milk Production	Milk Producers	86171
Women's Awareness Programme	Women	28681
Rural Youth Awareness Programme	Rural Youth	7794
Awareness Programme / Competitions for Children	School Children	7735
MRG Orientation Programme	Members of MRG	22433
Business & Governance Strategy Workshop	Board of Directors	97
Exposure Visits	Board of Directors	106
Institution Building – Trainers' Training programme	IB Executives	349
Leadership Development Programme	Board of Directors	392
Training of MCC Operators on Operation & Maintenance	MCC Staff	177
Sahayak Orientation Programme	Sahayaks	12157
Sahayak Refresher Programme	Sahayaks	5171
Training on procurement, producer relation & QA	Facilitators	529
Training on procurement, producer relation & QA	Area Managers	105
Skill Development Programme	Office Assistants	170
Motivation Programme	Office Assistants	160
Team Building and Leadership Development	Office Assistants	124
Training Programme	QA Assistants	39
Training Programme	QA Chemists	348
Sub Total		262,635

Ration Balancing Programme		
Name of the Programme	Partakers	No. of participants
LRP Basic Training	LRPs	1701
LRP Refresher Training	LRPs	802
Animal Nutritionist & Technical Officer Basic Training (at NDDDB)	ANs & TOs	28
IT Officer Training on Software (at NDDDB)	IT Officers	2
Sub Total		2533
Fodder Development Programme		
Name of the Programme	Partakers	No. of participants
Training on Fodder Production and Conservation (at NDDDB)	FDOs	24
Sub Total		24
Artificial Insemination Programme		
Name of the Programme	Partakers	No. of participants
AI Basic Trainings for MAITs	MAITs	774
AI Field Trainings for MAITs	MAITs	626
Veterinary Executive & Breeding Specialist Training (at NDDDB)	BSs & VEs	34
INAPH Training for MAITs	MAITs	715
MAIT Refresher Training	MAITs	426
Sub Total		2575
General Training		
Name of the Programme	Partakers	No. of participants
VCG Orientation Programme	Members of VCG	15977
Samvaad Programme	Members	76997
Training on Fire and Security	MCC incharge	88
Training on Health & Safety	Field team	330
Training on Stress Management	Office Assistants	86
Sales Training on improving productivity & effectiveness	Sales team	78
Training on Time Management	Assistants	68
Interpersonal Relations and Conflict Management	Sales & field team	150
Sub Total		93774
Grand Total		361,541

PHYSICAL INDICATORS



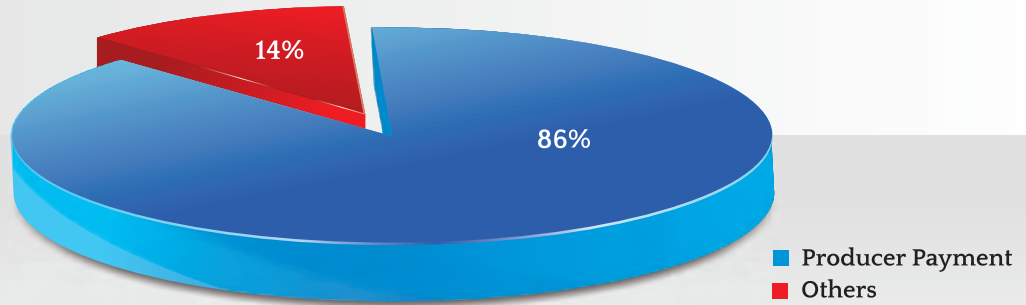
PHYSICAL INDICATORS



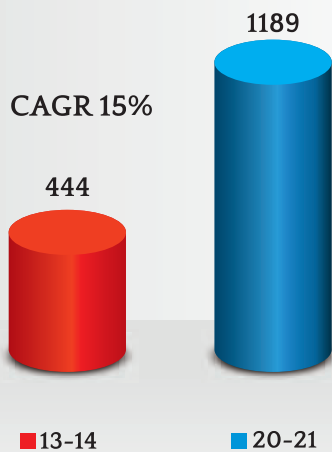


FINANCIAL INDICATORS

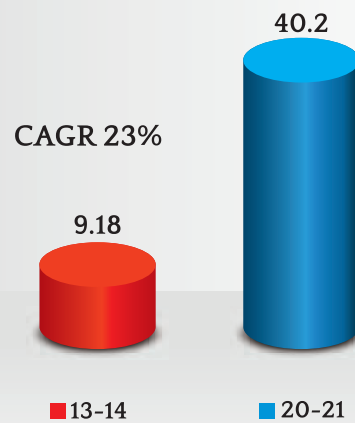
Producer Share of a Consumer Rupee (2020-21)



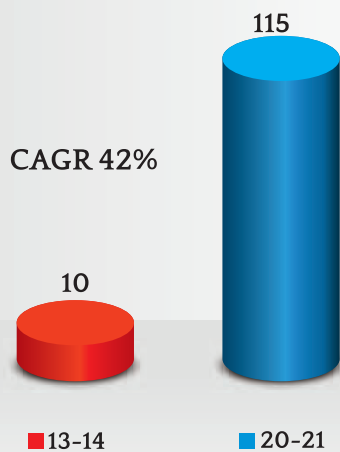
Turnover (Rs. Crore)



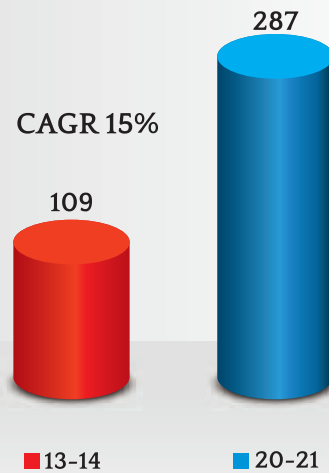
Share Capital (Rs. Crore)



Networth (Rs. Crore)



Book Value Per Share (Rs.)



PAAYAS MILK PRODUCER COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting 9th Annual Report on the business and operations of the Company, together with the Audited Accounts for financial year ended March 31, 2021.

The Company was incorporated on May 19, 2012 as a Producer Company under the provisions of Part IXA of the Companies Act, 1956 (Chapter XXI A of the Companies Act, 2013) in the State of Rajasthan to undertake the business of pooling, purchasing, processing of milk and milk products primarily of the Members, marketing of the same and to deal in activities that are part of or incidental to any activity related thereto.

Financial Results

The summarized Financial Results are as under:

Particulars	For the year ended March 31, 2021 (Rs. in Crore)	For the year ended March 31, 2020 (Rs. in Crore)
Total Revenue	1189.25	1727.10
Total Cost including expenses	1177.69	1716.56
Profit/(Loss) before tax	11.56	10.54
Provision for Taxation	2.97	5.46
Profit/(Loss) after tax	8.59	5.08

The Financial Year 2020-21 began with onset of pandemic COVID-19 leading to national lock down. The markets could not operate properly resulting in decline in milk sale which in turn affected milk procurement. This impacted company's turnover adversely.

During the year under review, the total revenue from the operations decreased to Rs. 1189.25 Crore, as against Rs. 1727.10 Crore in previous year. The total cost including expenses also decreased to Rs. 1177.67 Crore as against Rs. 1716.56 Crore in previous year.

The Profit after Tax is Rs. 8.59 Crore as against Rs. 5.08 Crore in previous year registering a growth of 69 percent.

Limited Return (Dividend)

The Board of Directors are pleased to recommend limited return (dividend) at the rate of Rs. 7 per equity share absorbing Rs. 2.81 Crore. The limited return (dividend), subject to the approval of Members at the ensuing 10th Annual General Meeting, will be paid to those members, whose names appear in the Register of Members of the Company as on March 31, 2021.

Transfer to General Reserve

Pursuant to provisions of article no 11.10 of the Articles of Association of the Company read with Section 378 ZI of the Companies Act 2013, the Board proposes to transfer Rs. 5.77 Crore to the credit of General Reserve in the Balance Sheet.

Operations

The Company is harvesting raw milk from 3,532 Milk Pooling Points located in 3240 villages of Rajasthan. During the year under review, the Company procured 24.56 Crore liter as against 31.25 Crore liter raw milk in previous year. Out of this, 3.94 Crore liter cow milk was separately procured for its bulk sale. The Company continues to pay competitive producer price to its members.

The company sells Poly Pack Milk (PPM) in different variants in the state of Rajasthan. During the period under review, total sales of Poly Pack Milk and Ghee remained 158 Lac Liter and 718 MT

respectively as against 350 Lac liter and 1076 MT respectively in previous year. The Company believes that it can further perk up sale of milk and milk products and it has therefore been expanding its network to reach more consumers.

Award and Recognition

The Company bagged – Best Large Sized Company Award, conferred by Agriculture Today Group, under Indian Dairy Awards 2021. Further, NDDDB conferred prestigious Digital Milk Producer Award on Paayas members in all the 3 categories in the state.

Credit Rating

During the year under review, CARE Ratings Ltd. (“CARE”) re-affirmed the “AA-” (“Double A Minus”) rating. The rating is an opinion on the general creditworthiness of the Company.

Product Portfolio

Milk and Milk Products

The Company is committed to serving consumers with quality milk and milk products. It markets Poly Pack Milk in various SKU in Jaipur and in other parts of Rajasthan.

Variant	Composition (%) (minimum)	SKU
Double Toned Milk	Fat: 1.5 SNF: 9.0	200ml, 500ml, 1l, 6l
Toned Milk	Fat: 3.0 SNF: 8.5	500ml, 1l, 6l
Full Cream Milk	Fat: 6.0 SNF: 9.0	500ml, 1l, 6l
Homogenized Toned Milk	Fat: 3.0 SNF: 8.5	200ml, 500ml, 6l

The company also markets bulk mixed milk, cow milk and skim milk to Mother Dairy and other interested buyers.

Dahi

Paayas “Dahi” in 85 gm & 180 gm in cups, 1 kg & 5 Kg in Polypack & 5 Kg in Plastic Pack in Matka shape are being sold in both rural & urban market.

Buttermilk

Paayas Butter Milk in 400 ml pack & Spice Butter Milk in 200 ml Pack are being sold in both rural and urban market.

Ghee

Paayas Ghee is being sold in various denominations of half litre Ceka Pack, 1 litre Ceka Pack, 2 litre Tin, 5 litre Tin and 15 kg Tin through rural and urban marketing channels.

Product Development

Encouraged by the market response, the Company is in the process of enriching product basket.

Cattle Feed

The Company distributes cattle feed under its own brand Mudrika in two variants – BIS Type II and Gold-High Energy. Due to Covid-19 pandemic, the sale volume of cattle feed decreased to 28671 MT as against 42590 MT in previous year. However, to extend relief to milk producer members amid pandemic, the Company provided an incentive of Rs.1 per Kg on cattle feed during the period between November 1, 2020 to December 31, 2020.

Rajasthan Specific Mineral Mixture and Ration Balancer

Taking into account the specific need of minerals which are not available in Rajasthan soil, the Company organised to develop Rajasthan Specific Mineral Mixture and it has been providing the

same to the producers at a competitive price under its own brand – Mudrika. The response from users has rather been encouraging, as a result of which the Company distributed about 84 MT mineral mixture and 28 MT Ration Balancer.

Fodder Development

To ensure supply of fodder throughout the year, it is necessary to focus on increasing the productivity of available land under fodder cultivation, improve the efficiency of fodder utilization and minimize the fodder wastages / encourage fodder conservation. Under Fodder Development, activities such as Silage Demonstration, Fodder Crop (Makhkhan Grass) Demonstration and Quality Fodder Seed Supply are being undertaken.

The Company continued distributing quality fodder seeds including Lucerne, Oat, Sorghum and Millet Seeds etc. at affordable rates among milk producers. A total of 633 quintal fodder seed was distributed during the year under review. In future, several other varieties of fodder such as Drum Sticks, Fodder Beet and Chinese Cabbage etc. are planned.

Model Dairy Farm

The Company is providing assistance to its members for developing Model Dairy Farms. In FY 2020-21, One (01) Model Dairy Farms were developed by Paayas from out of its own resources. At present, total of 15 MDF are functioning in five districts (Jaipur, Sikar, Ajmer, Tonk & Bhilwara) of Rajasthan.

Ration Balancing Programme (RBP)

RBP aims to improve production and reproduction of animals through adoption of scientific method of feeding with provision of technical inputs and services to milk producers at their doorstep, thereby improving milk production efficiency and economic return from dairying.

During the year under review, the Company has provided RBP services from its own resources. RBP has helped in changing traditional feeding practices. The Company organized several mass awareness campaigns to educate producers.

Coverage Details

Sl. No.	Particulars	Numbers
1	No. of Villages	68
2	No. of Farmers	332
3	No. of Animals	685

Artificial Insemination Program

The Company had implemented AI Services with an objective to deliver quality AI services through well trained qualified Mobile Artificial Insemination Technicians using top genetics at the doorstep of farmers in order to improve productivity of milch animals, reduce cost of milk production and maximize farmers' income under NDP.

Despite Covid-19 pandemic, the company continues AI program from its own resources to deliver quality AI Service to the farmers at their doorstep. To facilitate efficient monitoring and field extension support for breeding service, Mobile Artificial Insemination Technicians are working in the operational area.

During the year under review, the Company accomplished 2,11,822 AI through 350 MAIT's.

Producer Institution Building (PIB)

PIB focuses primarily on educating and sensitizing members about their roles and responsibilities apart from spreading information about various activities and schemes of the Company. To attain this, various training programs are conducted.

Due to ongoing pandemic in the past year, certain restrictions were imposed on the field

movement which limited the field activities. Safety of milk producers has been our priority.

Being a single tier Company with a large operational area and membership base, it is essential that some informal groups be created in order to strengthen relationship and bonding between the Company and its members for ensuring effective two-way communication. Keeping this in mind, 2,891 informal Village Contact Groups (VCGs) were created at village level which comprise of 10,542 member and 227 informal Member Relation Groups (MRGs) were created at milk route level which comprise of 2891 members. VCG and MRG meeting were conducted, as & when became possible following covid – 19 protocols.

Quality Assurance:

Quality remains a focus area. Our Milk chilling centers are equipped with essential Milk testing facilities. Testing equipment like Digital electronic balances, water baths, vortex shakers, Oven, R.M test equipment's, BR meters, Remi centrifuge machine, sodium analyzers & refrigerator etc. are in place to perform the quality tests in raw milk at centers. Additional Facility was created at chilling Centres for cow milk reception, chilling, storage and dispatch separately so as to enable good quality raw cow milk supply to interested bulk buyers. System upgrades such as additional dock, lab expansion, additional storage facility at high pouring Chilling Centre & refrigeration capacity enhancement to preserve freshness of milk and setting up Model MCCs with state-of-the-art facilities viz. Auto CIP, Auto conveyor etc. were undertaken.

Various training programs for Chemists and MCC In charges were organized on digital platform to upgrade skill.

Information Technology

Honesty and transparency have always been Paayas key values. Taking a step ahead in this direction, the Company launched Paayas Sadasya Mitra App. The App facilitated the members to get their milk pouring details like milk pouring days, milk quantity poured, Fat % and SNF % in their milk and amount paid by the company in their bank account on a single click on their mobile.

Change in nature of Business

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

Material Changes and Commitments

There are no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Applicability of Companies Act, 2013

The company was incorporated under the provisions of Part IX A of Companies Act 1956. The Central Government introduced Chapter XXI A in Companies Act 2013 vide Companies Amendment Act 2020 dated September 28, 2020. This new Chapter covers all the provisions of Producer Companies as provided in Part IX A of Companies Act 1956. The provision of new Chapter XXI A in Companies Act 2013 has been notified w.e.f February 11, 2021, consequent therefore, the company started make compliance with the new provisions as applicable under the Companies Act 2013.

Share Capital Structure/Membership

The Company has not made any changes in its Authorised share capital during the year, the Authorised share capital of the Company stood at Rs. 50 Crore as on 31st March, 2021. At the beginning of financial year subscribed and paid up share capital of the Company is 41.77 Crore and stood at Rs. 40.19 crore as on 31st March 2021. During the year under review, the Company has cancelled 573269 equity shares of the members due to surrender/cancellation of membership/ refund of excess share capital and issue 414991 equity shares to the members.

Besides, the Company has not issued any equity shares or preference shares or any securities which carry a right or option to convert such securities into shares.

As at March 31, 2021, 110781 members were appearing on the register of members of the Company. During the year under review, membership of 8023 members have been cancelled/ surrendered due to non-fulfilment of membership criteria.

After 31 March 2021, the Company has enrolled 2010 new members and the membership of 2008 members have been cancelled/ surrendered due to non-fulfilment of membership criteria and other reasons. Therefore, the total number of members as on the date of this report stands at 110783 members.

To avoid cancellation of membership, all the members belonging to Class-A, Class-B and Class-C are hereby requested to fulfil all the patronage criteria of their respective class and conditions for continuation of membership during the relevant financial year.

Voting Rights and attendance at AGM

Out of total 110781 members, 34657 members have voting rights on all the resolutions as set in Annual General Meeting notice and 8830 members, who have fulfilled basic condition for voting (i.e., pouring of milk for at least 200 days totalling to at least 500 litres in a previous financial year) but have not fulfilled one or more of the patronage criteria of their respective class during F.Y. 2020-2021, consequently they are not entitled to vote on the class based election of Directors. Further, 65286 members, who did not fulfil aforesaid basic condition for voting, lost their voting right at ensuing Annual General Meeting. Remaining 2008 members whose membership have been cancelled post 31.03.2021, they are not entitled to attend ensuing AGM.

2010 new members, who were admitted as members of the Company post March 31, 2021, will not be entitled to dividend for FY 2020-2021 as well as voting right at 10th AGM.

Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 124, 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), Limited Return (Dividend) for the financial year 2012-13 amounting to Rs 5,57,991/- which remained unpaid/unclaimed for a period of 7 years, from the date it was lying in the unpaid dividend account, has been transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government.

Further, Share application money amounting Rs. 248228/- and Cancelled Share money/ additional share application money not meeting membership criteria amounting to Rs. 3913464/- for the financial year 2013-14 which is due for refund but remained unpaid/unclaimed for a period of 7 years from the date of amount due for refund, has also been transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government.

The Company does not have any underlying shares which are required to be transferred to IEPF as per the above mentioned transfers made.

The list of unpaid/unclaimed dividend and Share application money/ Cancelled Share Money due for refund are available on Company's website, at <https://www.paayasmilk.com/unclaimed-amount.php>. Shareholders are requested to check the said lists and if any aforesaid amount due to them remains unpaid in the said lists, can approach the Company for release of the same.

Board Meetings

During the year under review, five board meetings were held. The details of the Board Meeting held during the year is as under:

Board Meeting no.	Date of Board Meeting	Board Strength	No. of Directors Present
45th	25.06.2020	14	14
46th	14.08.2020	14	13
47th	26.10.2020	14	14
48th	19.02.2021	14	14
49th	22.03.2021	14	14

Stakeholders' Relationship Committee

Pursuant to requirement of section 178(5) of the Companies Act, 2013, Stakeholders Relationship Committee was constituted by the Board to resolve the grievance of shareholders of the Company. The Committee consists of:

- Smt. Mamta Choudhary, Chairperson;
- Shri Sukhpal Jat, Member;
- Shri Ratan Kumar Singh, Member;

The Committee was constituted on 22nd March, 2021. Hence, no meeting was held during the year.

Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge their duties.

The provisions of section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

Directors

Smt. Manju Jakhar and Shri Doongar Singh Rathor retired as a Director with effect from December 4, 2020. The Board would like to thank them for association and support as director with the Company.

Pursuant to the Article 9.6 and pursuant to Section 581ZA and other relevant articles of the Articles of Association of the Company and applicable provisions, of the Companies Act, 1956, Smt Mamta Choudhary and Shri Ladu Lal was appointed as Director of the Company with effect from December 4, 2020.

Dr. Champalal Dadhich, was reappointed as an Expert Director of the Company with effect from November 29, 2020 for a period of one year.

Composition of Board of Directors & reappointment of Directors

Article 9.4 of the Articles of Association of the Company deals with determination of criteria for categorising members into different classes based on their patronage and representation of such classes of members on the Board, to the extent possible, based on the patronage of members of respective class. The criteria for categorizing members into three different classes viz., Class-A, Class-B and Class-C based on patronage were approved at the seventh AGM of the Company.

Based on the analysis of the data w.r.t., fulfilment of patronage criteria by the members during FY 2020-2021, it has been found that, Class-A, Class-B and Class-C of members amongst themselves were respectively 8%, 20% and 72% during FY 2020-2021. Accordingly, the

composition of the Board providing for representation of each class of members on the Board based on patronage of each class of members comes to 4 Directors for Class-A, 4 Directors for Class-B and 3 Directors for Class-C respectively. The Company shall meet the requirement of Article 9.5 as under:-

Class-A Directors

At present the Board has 2 Directors representing Class-A. Pursuant to Article 9.6 of the Articles of Association of the Company, Shri Narayan Lal Gurjar, Director of the Company “representing Class- A” will retire at the ensuing AGM of the Company and being eligible, offers himself for re-appointment. Based on the recommendation of Nominating Committee, the Board recommends his re-appointment.

To ensure class representation on the Board based on patronage criteria and to fill up vacancy in Class-A, the Board, based on recommendation of Nominating Committee, recommends the appointment of Smt. Sunita Sharma and Shri Vijay Singh Meena representing Class-A.

The statement containing name and qualifications of the aforesaid Directors seeking appointment/re-appointment are annexed to the Notice convening 10th AGM of the Company.

Class-B Directors

At present the Board has 5 Directors representing Class-B. Pursuant to Article 9.6 of the Articles of Association of the Company, Shri Sukhpal Jat, Director of the Company, will retire at the ensuing AGM of the Company. Based on the recommendation of Nominating Committee, the Board recommends the appointment of Shri Bhagchand “representing Class-B” in place of Shri Sukhpal Jat. Pursuant to Article 9.6 of the Articles of Association of the Company, Shri Ramcharan Jat, Director of the Company, will retire at the ensuing AGM of the Company and in his place, Class-A category of Director to be appointed.

The statement containing name and qualifications of the aforesaid Director seeking appointment is annexed to the Notice convening 10th AGM of the Company.

Class-C Directors

At present the Board has 3 directors representing Class-C, therefore, there is no retirement/ election in category of Class-C directors at the 10th AGM.

Directors’ Responsibility Statement

In accordance with section 134 (5) of the Companies Act, 2013 the Board of Directors of the Company states that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Control

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. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Pursuant to the Section 378ZF of the Companies Act, 2013, M/s. Ernst & Young LLP, Chartered Accountants, has been re-appointed as Internal Auditors of the company who independently evaluate the adequacy of internal controls, and carry out the audit of accounts of the Company.

Deposits

The Company has not accepted any fixed deposits during FY 2020-2021.

Particulars of Loans, Guarantees given and Investments

The Company has not granted any loans, nor given any guarantee or securities or made investments within the meaning of section 186 of the Companies Act, 2013.

Particulars of Contracts, Arrangements with related parties

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis in terms of provisions of the Act. There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which might have potential conflict with the interest of the Company at large. Further, during the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material or which is required to be reported in Form no. AOC-2 in terms of section 134(3) (h) read with section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Corporate Social Responsibility

Pursuant to the section 135 of the Companies Act, 2013 read with Companies (CSR) Amendment Rules, 2021 the Company has undertaken Corporate Social Responsibility (CSR) and adopted the CSR policy, which is available on the website of the Company at <https://www.paayasmilk.com/csr-policy>. Further, pursuant to section 135(9) of the Companies Act, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable on the Company.

During the year under review, the company made its CSR contribution of Rs. 27.34 lakh to the Prime Ministers National Relief Fund as specified in CSR Policy of the company.

The Annual report on CSR activities in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in the Annexure I.

Risk Management

The company has an adequate internal financial control system in place. The Company identified and reviewed key business risks and monitors the progress made on mitigating such risks periodically. Company has reviewed the standard operating practices for all key processes and the same is reviewed periodically.

The Company has implemented a Risk Management Policy and the same has been adopted by the Board.

Vigil Mechanism

The Company has adopted a policy for vigil mechanism, as required under Section 177(9) of the Companies Act 2013, to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of the Company. The employees are encouraged to voice their concerns by way of Whistle Blowing. The Vigil Mechanism (Whistle Blower Policy) is available on the website of the Company at <https://www.paayasmilk.com/vigil-mech-policy>.

Auditors

M/s S.B. Billimoria & Co., Chartered Accountants (ICAI Firm Registration Number 101496W) were appointed as the Statutory Auditors of the Company to hold office for a term of one year, at the 9th AGM of the company held on December 4, 2020, from the conclusion of the 9th Annual General Meeting until the conclusion of the 10th AGM of the Company to be held in the year 2021. Pursuant to the section 139 of the Companies Act 2013, M/s S.B. Billimoria & Co., Chartered Accountants, Statutory Auditors of the Company upon their re-appointment at the ensuing Annual General Meeting will hold office till the conclusion of the 11th Annual General Meeting to be held in the year 2022. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, the Statutory Auditors did not reported any incident of fraud.

Cost Record

Maintenance of cost records and requirement of cost Audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 are not applicable to the business activities carried out by the Company.

Boards' comment on the Auditors' Report

Notes and financial statement referred to in the Auditors' Report are self-explanatory and do not call any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

Annual Return

The annual return of the Company as on 31st March 2021 can be accessed on the company website at <https://www.paayasmilk.com/annual-general-meeting.php>.

Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. During the year, the Company did not received any complaints of sexual harassment.

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earning and out go.

Particulars required to be furnished pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

- (i) Part A and B of the Rules pertaining to Conservation of energy and Technology absorption are presently not applicable to the Company.
- (ii) Foreign Exchange earnings and outgo: Earnings – Nil; Outgo – Nil.

Other Disclosures

- a) No company has become or ceased to be subsidiaries, joint ventures or associate companies of the Company.
- b) There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- c) There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

- d) Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof-not applicable to the Company.

Acknowledgement

The Board of Directors wish to convey their appreciation to members, business associates for their support and contribution during the period under review. The Directors would also like to thank bankers, employees, both internal and statutory auditors for their continued support to the Company.

The Board of Directors gratefully acknowledge encouragement and support extended by National Dairy Development Board, NDDDB Dairy Services and Mother Dairy Fruit & Vegetable Private Limited.

Place: Jaipur
Date : 21.09.2021

For and on Behalf of the Board of Directors

(Sd/-)
Mamta Choudhary
Chairperson
DIN-07253296

ANNEXURE- I

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1) Brief Outline on CSR Policy of the Company:

The Company has adopted CSR policy which encompasses wide range of activities enumerated vide schedule VII to the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 which is primarily comprised of:

- a) Health
- b) Education
- c) Sanitation Facilities
- d) Environmental Sustainability
- e) Promoting Gender Equality
- f) Improving vocational skills
- g) Protecting National Heritage, Art and Culture
- h) Measures for the benefits of armed forces veterans, war widows and their dependents
- i) Contribution in PM's National Relief Fund or PM's CARES Fund any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Caste, the Schedule Tribes, Other Backward Classes, minorities and women
- j) Contribution to incubators or research and development projects
- k) To carry out activities at the time of Natural Calamity or engage in Disaster Management System

2) Composition of CSR Committee: Not applicable (Pursuant to section 135(9) of the Companies Act, 2013 the requirement for constitution of the Corporate Social Responsibility Committee is not applicable on the Company. Therefore, the functions of Corporate Social Responsibility Committee are being discharged by the Board of Directors of the Company.)

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held	Number of meeting of CSR Committee attended during the year
Not applicable as per section 135(9) of The Companies Act, 2013				

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Company's CSR policy is available at: <https://www.paayasmilk.com/csr-policy>

4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable

5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			

- 6) Average net profit of the company as per section 135(5): Rs. 136,742,964/-
- 7) (a) Two percent of average net profit of the company as per section 135(5): Rs. 27,34,859/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
- (c) Amount required to be set off for the financial year, if any - Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). - Rs. 27,34,859/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 27,34,859/-	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number
1.	Prime Minister's National Relief Fund	Schedule VII (viii) Prime Minister's National Relief Fund	Pan India	Pan India	Pan India	Rs. 27,34,859/-	Yes	NA	NA
	Total					Rs. 27,34,859/-			

- d) Amount spent in Administrative Overheads - Nil
- (e) Amount spent on Impact Assessment, if applicable - Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs. 27,34,859/-
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 27,34,859/-
(ii)	Total amount spent for the Financial Year	Rs. 27,34,859/-
(iii)	Excess amount spent for the financial year [(ii) - (i)]	Nil
(iv)	Surplus arising out of the CSR project or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
(asset-wise details). Not Applicable
- (a) Date of creation or acquisition of the capital asset(s). - Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset. - Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).-Not applicable

(Sd/-)

Ratan Kumar Singh
Director & Chief Executive
DIN: 00142430

(Sd/-)

Mamta Choudhary
Chairperson & Director
DIN: 07253296

Place: Jaipur
Date: 21.09.2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAAYAS MILK PRODUCER COMPANY LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **PAAYAS MILK PRODUCER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss, 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 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 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 the 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 the 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 the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 is 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 26 to the financial statements.
 - 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/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 378ZG of Part IV of Chapter XXIA of the Companies Act, 2013, 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/-
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 21087104AAAAFJ6816)

Place: New Delhi
Date : 18th August 2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(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 Paayas Milk Producer Company Limited (“the Company”) as of 31 March, 2021 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 31 March, 2021, 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)

Place: New Delhi
Date : 18th August 2021

Sd/-
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 21087104AAAAFJ6816)

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 property, plant and equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
 - b. The property, plant 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 property, plant 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 and the records examined by us, the Company has constructed buildings on land taken on lease and the lease agreements are in the name of the Company.
- (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, and hence reporting under clause (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, Employee's State Insurance, Income Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. 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, Employee's State Insurance, Income Tax, Customs Duty, Excise Duty, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2021 for a period of more than six months from the date they became payable.
 - c. There are no dues of Income Tax and Goods and Services Tax as on 31 March 2021 on account of disputes. The operations of the Company during the year did not give rise to any liability for Customs Duty and Excise Duty.
- (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 government or financial institutions and it has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the

CARO 2016 Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material 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 Order 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/-
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 21087104AAAAFJ6816)

Place: New Delhi
Date : 18th August 2021

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 15 to the financial statements. According to the information and explanations given to us no debts are considered as doubtful of recovery.
- ii. According to the information and explanations given to us, the Company does not hold any cash in hand or investment securities.
- iii. The details of assets and liabilities as at 31 March, 2021 are as per the financial statements of the Company as at and for the year ended 31 March, 2021.
- 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 Chapter XXIA of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not granted any loan to its directors.
- vi. According to the information and explanations given to us, the Company has not given any donations or subscriptions during the year.

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

Place: New Delhi
Date : 18th August 2021

Sd/-
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN: 21087104AAAAFJ6816)

PAAYAS MILK PRODUCER COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH, 2021

	Note No.	As at 31 March, 2021	As at 31 March, 2020
		Rupees	Rupees
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	401,964,900	417,792,700
(b) Reserves and surplus	4	747,872,092	672,235,601
		1,149,836,992	1,090,028,301
2. Share application money pending allotment		8,877,000	16,948,800
3. Deferred grant	5	59,647,298	73,380,250
4. Non - current liabilities			
(a) Other long-term liabilities	7	119,938,819	117,682,196
		119,938,819	117,682,196
5. Current liabilities			
(a) Short - term borrowings	8	886,813,129	898,207,709
(b) Trade payables	9		
(i) Total outstanding dues of micro and small enterprises		6,466,201	6,636,331
(ii) Total outstanding dues of creditors other than micro and small enterprises		523,592,338	690,468,011
(c) Other current liabilities	10	38,479,927	45,371,082
(d) Short - term provisions	11	9,096,501	21,429,576
		1,464,448,096	1,662,112,710
Total		2,802,748,205	2,960,152,257
B. ASSETS			
1. Non - current assets			
(a) Property, plant and equipment			
(i) Tangible assets	12a	158,822,946	196,249,769
(ii) Intangible assets	12b	229,482	942,188
(iii) Capital work-in-progress	12c	2,47,800	-
		159,300,228	197,191,957
(b) Deferred tax assets (net)	6	2,075,941	957,447
(c) Long - term loans and advances	13	14,689,518	26,201,468
		176,065,687	224,350,872
2. Current assets			
(a) Inventories	14	103,338,291	80,965,795
(b) Trade receivables	15	998,855,504	1,612,442,547
(c) Cash and cash equivalents	16	1,467,475,421	1,007,050,619
(d) Short - term loans and advances	17	18,790,845	12,858,557
(e) Other current assets	18	38,222,457	22,483,866
		2,626,682,518	2,735,801,385
Total		2,802,748,205	2,960,152,257

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/-
Mamta Choudhary
Director
DIN-07253296

Sd/-
Sukhpal Jat
Director
DIN-06362918

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN-00142430

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Anup Gupta
Company Secretary
M.No.-FCS 5302

Sd/-
Kapil Pachori
Assistant General Manager
(Finance)

Place: New Delhi
Date: 18th August 2021

Place: Jaipur
Date: 18th August 2021

PAAYAS MILK PRODUCER COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2021

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
		Rupees	Rupees
1. Revenue from operations	19	11,816,279,511	17,208,916,896
2. Other income	20	76,098,403	62,130,430
3. Total revenue (1+2)		11,892,377,914	17,271,047,326
4. EXPENSES			
(a) Purchases of traded goods	21	10,741,877,471	15,891,685,607
(b) Changes in inventories of finished goods & stock-in-trade	22	(22,372,496)	47,835,064
(c) Employee benefits expense	23	131,632,669	122,159,778
(d) Finance costs	24	54,421,703	31,711,264
(e) Depreciation and amortisation expense	12	27,123,827	30,972,716
(f) Other expenses	25	844,137,876	1,041,235,575
Total expenses		11,776,821,049	17,165,600,005
5. Profit before tax (3-4)		115,556,865	105,447,321
6. Tax expense:			
(a) Current tax		32,000,000	29,000,000
(b) Deferred tax charge/(credit)		(1,118,494)	(1,321,022)
(c) Provision pertaining to earlier years (see note 38)		(1,164,922)	26,893,397
Net tax expense		29,716,584	54,572,375
7. Profit for the year (5-6)		85,840,281	50,874,946
8. Earnings per equity share:	31		
(Nominal value Rs. 100 per share)			
(a) Basic		20.34	13.38
(b) Diluted		20.34	13.38

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/-
Mamta Choudhary
Director
DIN-07253296

Sd/-
Sukhpal Jat
Director
DIN-06362918

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN-00142430

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Anup Gupta
Company Secretary
M.No.-FCS 5302

Sd/-
Kapil Pachori
Assistant General Manager
(Finance)

Place: New Delhi
Date: 18th August 2021

Place: Jaipur
Date: 18th August 2021

PAAYAS MILK PRODUCER COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

	Year ended 31 March, 2021	Year ended 31 March, 2020
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	115,556,865	105,447,321
Adjustments For :		
Finance costs - interest expense on borrowings	53,869,198	31,692,511
Interest income	(63,041,093)	(50,795,146)
Depreciation and amortization expense	27,123,827	30,972,716
Profit on recovery/sale of property, plant and equipment	(3,406,226)	(2,871,762)
Operating Profit before working capital changes	130,102,571	114,445,641
Adjustments for movement in working capital:		
Decrease/(increase) in inventories	(22,372,496)	47,835,064
Decrease/(increase) in trade receivables	613,587,043	(85,961,774)
Decrease/(increase) in long term loans and advances	8,452,138	(3,637,313)
Decrease/(increase) in short term loans and advances	(5,932,287)	15,533,728
(Decrease)/increase in other long term liabilities	2,256,623	9,850,996
(Decrease)/increase in trade payables	(167,045,803)	(4,735,431)
(Decrease)/increase in provisions	8,978,943	117,558
(Decrease)/increase in other current liabilities	(1,909,413)	(109,422,418)
Cash generated from/(used in) operations	566,117,319	(15,973,949)
Net income taxes (paid)/refund	(49,087,284)	(34,565,954)
Net cash flow from/(used in) operating activities (A)	517,030,035	(50,539,903)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Decrease/(increase) in bank balances not considered as cash and cash equivalents	(94,529,461)	(449,150,094)
Capital expenditure on property, plant and equipment (net of capital grant received)	(3,489,679)	(705,798)
Interest received	47,302,501	50,851,567
Proceeds from recovery/sale of property, plant and equipment	3,930,854	3,156,012
Net cash flow from/(used in) investing activities (B)	(46,785,784)	(395,848,313)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital	(32,776,600)	24,207,650
Share application money received	8,877,000	16,948,800
Proceeds from security premium	19,041,700	45,527,850
Net increase/(decrease) in working capital borrowings	(11,394,580)	(42,841,785)
Dividend Paid including dividend tax	(29,245,489)	(36,076,741)
Finance costs paid	(58,850,940)	(24,649,849)
Net cash flow from/(used in) financing activities (C)	(104,348,909)	(16,884,075)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	365,895,342	(463,272,291)
Cash and cash equivalents at beginning of the year	335,242,130	798,514,421
Cash and cash equivalents at the end of the year	701,137,471	335,242,130
Components of Cash and cash equivalents as at:		
Balances with banks:		
in current accounts	343,684,597	40,702,194
in deposit accounts	357,452,874	294,539,936
Cash and cash equivalents as per Cash Flow Statement	701,137,471	335,242,130
Add: Bank balances not considered as Cash and cash equivalent	766,337,950	671,808,489
Cash and bank balances as per Balance Sheet (Note 16)	1,467,475,421	1,007,050,619

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

Place: New Delhi
Date: 18th August 2021

Sd/-
Mamta Choudhary
Director
DIN-07253296

Sd/-
Anup Gupta
Company Secretary
M.No.-FCS 5302

Place: Jaipur
Date: 18th August 2021

Sd/-
Sukhpal Jat
Director
DIN-06362918

Sd/-
Kapil Pachori
Assistant General Manager
(Finance)

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN-00142430

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

1. Corporate information

Paayas Milk Producer Company Limited (“the Company”) was incorporated on 19 May 2012 under Part IXA of the Companies Act, 1956 (Now Chapter XXIA of Companies Act, 2013).

The Company procures milk directly from milk producers through ‘Milk Pooling Points’ (MPP) in villages of Rajasthan and sells to various dairies. The Company also process raw milk for manufacture of ‘Polypack Milk’ (PPM) and Ghee. The Company also trades in cattle feed, dairy fresh and animal semen.

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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) as applicable. MCA during the year has notified the sections applicable to Producer Companies under Chapter XXIA of the Companies Act, 2013 vide ‘The Companies (Amendment) Act, 2020 and also the rules applicable to the producer companies known as “The Producer Company Rules, 2021. 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 (Tangible/Intangible)

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 of 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 amortisation 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 amortisation 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. Software is depreciated over the management’s estimate of its useful life of three years.

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/amortisation on tangible and 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)
Building	10
Plant and equipment	10
Milk cans	4
Furniture and fixtures	15
Computers and software	3
Office equipment	10
Trade marks	5

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

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

j. Inventories

Inventories comprise raw materials and packing material, 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 property, plant and equipment are treated as deferred grants which is recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset, i.e., depreciation charge on assets procured from such grants is appropriated from Deferred Grant and recognized in the Statement of Profit and Loss by way of reduced depreciation charge.

Revenue 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 property, plant and equipment 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. Segment Information

Business Segments (Primary)

- r.** The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The Company is primarily engaged in procurement and sale of milk and milk products. This has been considered as a single business segment.

s. 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.

t. 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.

u. 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.

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

Note 3: Share Capital

	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
(a) Authorised share capital Equity Shares of Rs. 100 each	5,000,000	500,000,000	5,000,000	500,000,000
(b) Issued, subscribed and fully Paid up share capital Equity Shares of Rs. 100 each	4,019,649	401,964,900	4,177,927	417,792,700

See notes (i) to (iv) 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:**

	Year ended 31 March, 2021		Year ended 31 March, 2020	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
Shares outstanding at the beginning of the year	4,177,927	417,792,700	3,740,684	374,068,400
Shares issued during the year	414,991	41,499,100	910,557	91,055,700
Shares cancelled / surrendered during the year	(573,269)	(57,326,900)	(473,314)	(47,331,400)
Shares outstanding at the end of the year	4,019,649	401,964,900	4,177,927	417,792,700

(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.

(iv) No share has been issued for a consideration other than cash/bank or bonus during the year or 5 years immediately proceeding the financial year.

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	As at 31 March, 2021	As at 31 March, 2020
	Rupees	Rupees
Note 4: Reserves and surplus		
(a) General reserve		
Opening balance	513,256,762	491,627,305
Add: Transferred from surplus in Statement of Profit and Loss	57,702,737	21,629,456
Closing balance	<u>570,959,499</u>	<u>513,256,762</u>
(b) Surplus in Statement of Profit and Loss		
Opening Balance	29,245,489	36,076,740
Add: Profit for the year	85,840,281	50,874,946
Less:		
Final limited return (dividend) to members for the year ended 31 March, 2020 (Rs.7/- per share)	29,245,489	29,925,472
Tax on above limited return (dividend)	-	6,151,269
Transferred to General Reserve	57,702,737	21,629,456
Closing balance	<u>28,137,543</u>	<u>29,245,489</u>
(c) Security Premium		
Opening balance	129,733,350	84,205,500
Add: Premium on shares issued during the year	20,749,550	45,527,850
Less: Premium on shares cancelled during the year	1,707,850	-
Closing balance	<u>148,775,050</u>	<u>129,733,350</u>
	<u>747,872,092</u>	<u>672,235,601</u>
Note 5: Deferred grant		
Opening balance	73,380,250	104,393,894
Add: Capital grant utilised during the year (see note 32)	-	-
Less: Depreciation pertaining to assets acquired from capital grant (see note 12)	13,732,952	31,013,644
Closing balance	<u>59,647,298</u>	<u>73,380,250</u>
Note 6: Deferred tax (assets)/liabilities		
(a) Tax effect of items constituting deferred tax (assets)/liabilities:		
(i) On difference between book balance and tax balance of property, plant and equipment	(2,075,941)	(957,447)
	<u>(2,075,941)</u>	<u>(957,447)</u>
Note 7: Other long-term liabilities		
(a) Trade / security deposits received	119,938,819	117,682,196
	<u>119,938,819</u>	<u>117,682,196</u>

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	As at 31 March, 2021	As at 31 March, 2020
	Rupees	Rupees
Note 8: Short - term borrowings		
(a) Unsecured Loans		
(i) Bill discounting facility	886,813,129	898,207,709
	886,813,129	898,207,709
Note 9: Trade payables		
(a) Total outstanding dues of micro and small enterprises (see note 34)	6,466,201	6,636,331
(b) Total outstanding dues of creditors other than micro and small enterprises	523,592,338	690,468,011
	530,058,539	697,104,342
Note:		
(i) The Company owes Rs. 6,466,201 (Previous year: 6,636,331) to micro, small and medium enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information. This has been relied upon by the auditors.		
Note 10: Other current liabilities		
(a) Membership cancellation payable	14,685,831	16,163,575
(b) Interest accrued but not due on borrowings	8,552,751	13,534,493
(c) Unclaimed/Unpaid dividends	5,375,592	5,888,097
(d) Statutory remittances (Contributions to PF and ESIC, tax deducted at source etc.)	5,089,396	5,769,877
(e) Advances from customers	4,776,357	3,876,058
(f) Payable to NDDB - unutilised grant (See note 32)	-	1,38,983
	38,479,927	45,371,082
Note 11: Short term provisions		
(a) Provision for Gratuity (net of gratuity fund of Rs. Nil; previous year Rs. 15,369,100)	-	117,558
(b) Provision for Leave Encashment (net of fund of Rs. 18,788,306; previous year Rs. Nil)	9,096,501	-
(c) Provision for income tax (net of tax paid of Rs. Nil; Previous year was Rs. 34,570,761)	-	21,312,018
	9,096,501	21,429,576

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

Note 12: Property, plant and equipment

Particulars	Gross Block						Accumulated Depreciation/amortisation				Net Block	
	As at 01 April, 2020	Additions	Disposals	As at 31 March, 2021	As at 01 April, 2020	For the year	Eliminated on disposal of assets	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2021	As at March 31, 2020	
	As at 01 April, 2020	As at 31 March, 2021	As at 01 April, 2020	For the year	Eliminated on disposal of assets	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2021	As at March 31, 2020		
(a) Tangible assets (owned)												
Buildings (Previous year)	7,204,318 (7,204,318)	- (-)	3,454,551 (-)	3,749,767 (7,204,318)	5,341,835 (5,038,768)	303,067 (303,067)	3,454,551 (-)	2,190,351 (5,341,835)	1,559,416 (1,862,483)	1,862,483		
Plant and equipment (Previous year)	465,221,073 (467,751,426)	2,375,818 (438,370)	5,352,975 (2,968,723)	462,243,915 (465,221,073)	275,191,823 (232,532,228)	38,800,152 (45,344,068)	4,828,347 (2,684,472)	309,163,629 (275,191,823)	153,080,286 (190,029,249)	190,029,249		
Furniture and fixtures (Previous year)	23,025,369 (23,130,321)	- (-)	97,564 (104,952)	22,927,805 (23,025,369)	21,767,575 (21,746,424)	126,104 (126,104)	97,564 (104,952)	21,796,115 (21,767,575)	1,131,689 (1,257,793)	1,257,793		
Office equipment (Previous year)	6,689,906 (6,549,906)	- (140,000)	- (-)	6,689,906 (6,689,906)	3,720,468 (3,099,834)	622,486 (620,634)	- (-)	4,342,954 (3,720,468)	2,346,952 (2,969,438)	2,969,438		
Computers (Previous year)	81,443,789 (81,482,304)	866,061 (127,428)	67,599 (165,944)	82,242,251 (81,443,789)	81,312,984 (80,908,791)	292,264 (570,136)	67,599 (165,944)	81,537,649 (81,312,984)	704,602 (130,805)	130,805		
Total (A)	583,584,454 (586,118,275)	3,241,879 (705,798)	8,972,689 (3,239,619)	577,853,644 (583,584,454)	387,334,686 (343,326,045)	40,144,073 (46,964,008)	8,448,061 (2,955,368)	419,030,698 (387,334,686)	158,822,946 (196,249,769)	196,249,769		
(b) Intangible assets (other than self-generated)												
Computer software (Previous year)	136,025,200 (136,025,200)	- (-)	- (-)	136,025,200 (136,025,200)	135,083,012 (120,060,660)	712,706 (15,022,352)	- (-)	135,795,718 (135,083,012)	229,482 (942,188)	942,188		
Trade mark (Previous year)	90,000 (90,000)	- (-)	- (-)	90,000 (90,000)	90,000 (90,000)	- (-)	- (-)	90,000 (90,000)	- (-)	-		
Total (B)	136,115,200 (136,115,200)	- (-)	- (-)	136,115,200 (136,115,200)	135,173,012 (120,150,660)	712,706 (15,022,352)	- (-)	135,885,718 (135,173,012)	229,482 (942,188)	942,188		
(c) Capital work-in-progress												
Total (C)	-	-	-	-	-	-	-	-	247,800	-		

Notes:

(i) Depreciation and amortisation expense

Year ended 31 March, 2021	Year ended 31 March, 2020
Rupees	Rupees
40,144,073	46,964,008
712,706	15,022,352
13,732,952	31,013,644
27,123,827	30,972,716

Tangible assets

Intangible assets

Less: Depreciation pertaining to assets acquired on grant

(ii) The details of assets purchased out of capital grant and included in the above schedule are given below (see note 32):

Assets	Gross Block			Accumulated Depreciation/amortisation				Net Block		
	As at 01 April, 2020	Additions	Disposals	As at 31 March, 2021	As at 01 April, 2020	For the year	Eliminated on disposal of assets	As at 31 March, 2021	As at 31 March, 2021	As at March 31, 2020
Tangible assets :										
Building (Previous year)	3,190,183 (3,190,183)	- (-)	- (-)	3,190,183 (3,190,183)	1,327,698 (1,024,631)	303,067 (303,067)	- (-)	1,630,765 (1,327,698)	1,559,418 (1,862,485)	1,862,485
Plant and equipment (Previous year)	169,250,396 (169,254,935)	- (-)	161,856 (4,539)	169,088,540 (169,250,396)	100,247,635 (84,091,861)	12,865,061 (16,160,313)	12,588 (4,539)	113,100,107 (100,247,635)	55,988,432 (69,002,761)	69,002,761
Office equipment (Previous year)	4,888,788 (4,888,788)	- (-)	- (-)	4,888,788 (4,888,788)	2,735,902 (2,274,664)	461,238 (461,238)	- (-)	3,197,140 (2,735,902)	1,691,648 (2,152,886)	2,152,886
Furniture and fixtures (Previous year)	19,501,323 (19,606,275)	- (-)	97,564 (104,952)	19,403,759 (19,501,323)	19,048,392 (19,108,212)	45,132 (45,132)	97,564 (104,952)	18,995,960 (19,048,392)	407,799 (452,931)	452,931
Computers (Previous year)	72,772,315 (72,930,046)	- (-)	67,599 (157,731)	72,704,716 (72,772,315)	72,772,315 (72,866,261)	- (63,785)	67,599 (157,731)	72,704,716 (72,772,315)	- (-)	-
Intangible assets :										
Computer Software (Previous year)	130,233,393 (130,233,393)	- (-)	- (-)	130,233,393 (130,233,393)	130,174,939 (116,194,830)	58,454 (13,980,109)	- (-)	130,233,393 (130,174,939)	- (58,456)	58,456
Total	399,836,397 (400,103,619)	- (-)	327,019 (267,222)	399,509,378 (399,836,397)	326,306,879 (295,560,457)	13,732,952 (31,013,645)	177,751 (267,222)	339,862,080 (326,306,879)	59,647,298 (73,529,518)	73,529,518

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	As at 31 March, 2021	As at 31 March, 2020
	Rupees	Rupees
Note 13: Long - term loans and advances (Unsecured, considered good)		
(a) Security deposits	848,850	8,864,349
(b) Prepaid expense	8,470	445,109
(c) Advance income tax (net of provisions of Rs. 31,56,26,612; previous year Rs. 28,36,26,612)	13,832,198	16,892,010
	14,689,518	26,201,468
Note 14: Inventories (At lower of cost and net realisable value)		
(a) Stock-in-trade	60,515,312	42,671,270
(b) Stock-in-trade (in transit)	42,822,979	38,294,525
	103,338,291	80,965,795
Note 15: Trade receivables		
(a) Outstanding for a period exceeding six months from the date they were due for payment - secured, considered good	-	1,470,413
(b) Others:		
(i) Secured, considered good	24,655,832	29,174,902
(ii) Unsecured, considered good	974,199,672	1,581,797,232
	998,855,504	1,612,442,547

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	As at 31 March, 2021	As at 31 March, 2020
	Rupees	Rupees
Note 16: Cash and cash equivalents		
(a) Cash and cash equivalents		
(i) Balance with banks:		
a. In current accounts	343,684,597	40,702,194
b. In deposit accounts - original maturity of 3 months or less	357,452,874	294,539,936
Cash and cash equivalents as per AS 3 - Cash flow statement	<u>701,137,471</u>	<u>335,242,129</u>
(b) Other bank balances		
(i) In deposit accounts (original maturity more than 3 months)	760,962,358	641,801,064
(ii) Balances held as security against bank overdraft facility	-	24,119,328
(iii) In earmarked accounts		
- Unpaid dividend accounts	5,375,592	5,888,097
	<u>1,467,475,421</u>	<u>1,007,050,619</u>
Note 17: Short - term loans and advances (Unsecured, considered good)		
(a) Loans and advances to employees	10,740	4,740
(b) Gratuity Fund (net of liability Rs. 1,63,87,885; previous year Rs. Nil)	1,695,847	-
(c) Leave Encashment fund (net of liability of Rs. Nil; previous year Rs. 1,17,45,317)	-	3,895,388
(d) Advances to vendors	539,901	246,615
(e) Prepaid expenses	5,230,309	6,423,604
(f) Security deposits	8,474,499	-
(g) Balance with government authorities	2,839,549	2,288,210
	<u>18,790,845</u>	<u>12,858,557</u>
Note 18: Other current assets (Unsecured, considered good)		
(a) Interest accrued but not due on bank deposits	38,222,457	22,483,866
	<u>38,222,457</u>	<u>22,483,866</u>

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	Year ended 31 March, 2021	Year ended 31 March, 2020
	Rupees	Rupees
Note 19: Revenue from operations		
(a) Sale of products		
(i) Gross sale	12,440,430,117	18,619,032,063
(ii) Less: sale to third party (milk processor) for repurchase (see note below (i) below)	624,150,606	1,410,115,166
(iii) Net sales	11,816,279,511	17,208,916,896

Notes:

(I) This represents sales made to third party for processing and packaging of milk which is re-purchased from them for sale to customers.

Sale of products comprises:

(ii) Traded goods		
a. Raw milk	10,212,538,251	14,406,039,124
b. Poly pack milk	648,747,462	1,376,739,060
c. Other milk product	33,696,114	82,531,516
d. Ghee	259,287,763	398,560,837
e. Cattle feed	648,397,753	932,770,073
f. Semen	13,612,169	12,276,288
Total	11,816,279,512	17,208,916,896

Note 20: Other income

(a) Interest income		
(i) On deposits with banks	63,041,093	50,795,146
(ii) On income tax refund	1,163,646	-
(b) Other non-operating income		
(i) Membership fees	451,553	1,750,926
(ii) Liabilities no longer required written back	-	792,725
(iii) Profit on sale of property, plant and equipment	3,406,226	2,871,762
(iv) Scrap sales	4,093,725	80,914
(v) Miscellaneous income	3,942,160	5,838,957
	76,098,403	62,130,430

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	Year ended 31 March, 2021	Year ended 31 March, 2020
	Rupees	Rupees
Note 21: Purchases of traded goods		
(a) Raw milk	9,226,869,178	12,993,927,367
(b) Polypack milk	560,532,676	1,429,090,067
(c) Ghee	274,016,672	442,290,720
(d) Cattle feed	633,540,029	923,873,616
(e) Other milk product	27,967,563	79,255,446
(f) Semen	18,951,353	23,248,391
	10,741,877,471	15,891,685,607
Note 22: Changes in inventories of finished goods and stock-in-trade		
Decrease/(increase) in inventories of finished goods and stock-in-trade		
(a) Inventories at the beginning of the year		
Stock-in-trade	42,671,270	62,384,208
Stock-in-transit	38,294,525	66,416,651
	80,965,795	128,800,859
(b) Inventories at the end of the year		
Stock-in-trade	60,515,312	42,671,270
Stock-in-transit	42,822,979	38,294,525
	103,338,291	80,965,795
Net decrease/(increase) in inventories	(22,372,496)	47,835,064
Note 23: Employee benefits expense		
(a) Salaries and wages	120,072,479	107,045,331
(b) Contribution to provident and other funds	7,707,663	11,054,753
(c) Staff welfare expenses	3,852,527	4,059,694
	131,632,669	122,159,778

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	Year ended 31 March, 2021	Year ended 31 March, 2020
	Rupees	Rupees
Note 24: Finance costs		
(a) Interest expense on borrowings	53,869,198	31,692,511
(b) Interest on delayed payment of statutory dues	552,505	18,753
	54,421,703	31,711,264
Note 25: Other expenses		
(a) Consumption of stores and spares	19,655,302	13,857,441
(b) Power and fuel	2,051,826	2,457,399
(c) Milk chilling charges	114,181,212	141,326,181
(d) Rent	7,266,573	7,051,676
(e) Repair and maintenance - buildings	8,509,825	4,639,517
(f) Repair and maintenance - machinery	38,580,264	73,348,393
(g) Repair and maintenance - others	621,433	1,403,255
(h) Advertisement and business promotion	20,533,138	40,481,877
(i) Freight, forwarding and distribution expenses	472,399,095	580,312,015
(j) Insurance charges	7,053,567	5,750,674
(k) Legal and professional fees	23,818,742	28,765,278
(l) Auditor's remuneration (refer note (i) below)	2,091,810	1,938,904
(m) Travelling and conveyance	11,403,694	17,065,374
(n) Training expenses	76,014	4,107,426
(o) Contractual and retainership expenses	82,112,029	85,149,391
(p) Communication expenses	16,673,658	18,488,867
(q) Corporate Social Responsibility (see note (ii) below)	2,734,859	-
(r) Miscellaneous expenses	14,374,835	15,091,905
	844,137,876	1,041,235,575
Note:		
(i) Auditors' remuneration comprises:		
a. Statutory audit fee	1,492,480	1,356,000
b. Tax audit fee	233,200	212,000
c. Reimbursement of expenses	47,040	75,139
d. Tax on above	319,090	295,765
	2,091,810	1,938,904
(ii) Corporate Social Responsibility:		
Gross amount required to be spent by the Company during the year was INR 2,734,859 (previous year was Nil) as per Section 135 of the Companies Act, 2013.		
a. Amount spent during the year on:		
(i) Construction / acquisition of any asset		
-In Cash/Bank	-	-
-Yet to be paid in Cash/Bank	-	-
(ii) On purpose other than above		
-In Cash/Bank	2,734,859	-
-Yet to be paid in Cash/Bank	-	-
	2,734,859	-
Total (i)+(ii)	2,734,859	-

PAAYAS MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	As at 31 March, 2021 Rupees	As at 31 March, 2020 Rupees
Note 26: Contingent liabilities and commitments		
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Staff claims under litigation	1,400,575	1,455,575
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid Rs. nil)	-	-

Note 27

In respect of the year ended 31 March, 2021, the directors in their meeting dated 18 August, 2021 have proposed a final dividend of Rs. 2,81,37,543 (Rs.7 per share) to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

Note 28

The Company has received share application money of Rs. 88,77,000 towards equity shares, against which allotment has been made at the Board meeting held on 27th April, 2021.

Note 29: Employee benefit plans:

Defined contribution plan

The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover all regular employees. Provident Fund Contribution is deposited with the Regional Provident Fund Commissioner (RPFC). Both the employees and the Company pay contributions at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

The Company has recognised Rs. 7,410,717 (previous year Rs. 7,292,593) for Provident Fund and Pension Fund contribution in the statement of profit and loss.

Defined benefit plan

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

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

(i) Change in defined benefit obligation

	31 March, 2021 Rupees	31 March, 2020 Rupees
Present value of obligations at the beginning of the year	15,486,658	11,045,996
Interest cost	1,029,933	829,855
Current service cost	2,625,929	2,916,100
Benefit Paid	(501,924)	(253,701)
Actuarial (gains)/losses on obligation	(2,252,711)	948,408
Present value of obligations at the end of the year	16,387,885	15,486,658

	31 March, 2021	31 March, 2020
	Rupees	Rupees
(ii) Fairvalue of plan assets		
Fairvalue of plan assets at the beginning of the year	15,369,100	12,519,515
Expected return on plan assets	1,211,381	1,059,387
Contributions	2,467,732	2,097,359
Benefit paid	(859,305)	(179,977)
Actuarial gains/(losses) on plan assets	(105,176)	(127,184)
Fair value of plan assets at the end of the year	18,083,732	15,369,100
(iii) Return on plan assets		
Expected return on plan assets	1,211,381	1,059,387
Actuarial gains/(losses)	(105,176)	(127,184)
Actual return on plan assets	1,106,205	932,203
(iv) Amount recognised in the Balance Sheet		
Present value of defined benefit obligations	16,387,885	15,486,658
Fair value of plan assets	18,083,732	15,369,100
Net liability/(asset) recognised in the balance sheet	(1,695,847)	117,558
(v) Expenses recognised in the statement of profit and loss		
Current service costs	2,625,929	2,916,100
Interest cost	1,029,933	829,855
Expected return on plan assets	(1,211,381)	(1,059,387)
Net actuarial (gain)/loss recognized during the year	(2,147,535)	1,075,592
Expenses recognized in Statement of Profit and Loss	296,946	3,762,160
(vi) Balance Sheet reconciliation		
Net liability/(asset) at the beginning of the year	117,558	(1,473,519)
Expenses as above	296,946	3,762,160
Contributions	(2,467,732)	(2,097,359)
Net liability/(asset) at the end of the year	(2,053,228)	191,282

The planned assets of the Company are managed by the trust and the Life Insurance Corporation of India (LIC) in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information about the categories of plan assets with respect to its investment pattern for group gratuity fund is not available with the Company.

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.

(vii) Principal actuarial assumptions

	31 March, 2021	31 March, 2020
Discount rate	6.76% p.a.	6.76% p.a.
Expected salary escalations	8.00% p.a.	10.00% p.a.
Expected return on plan assets	7.49% p.a.	7.83% p.a.
Attrition rate:		
Below 30 Years	3%	3%
Ages 31-44 Years	2%	2%
Ages 44 and Above	1%	1%
Mortality table used	IAL (2012-14) ultimate	IAL (2012-14) ultimate

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario etc.

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.

(viii) Actuarial assumptions for compensated absences

Actuarial assumptions used for valuation of liability for compensated absences is same as vii above.

(ix) Experience adjustment

	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligations	16,387,885	15,486,658	11,045,996	7,855,495	6,025,647
Fair value of plan assets	18,083,732	15,369,100	12,519,515	8,320,938	6,264,923
Funded status	(1,695,847)	117,558	(1,473,519)	(465,443)	(239,276)
Gain/(loss) on obligations	2,252,711	(948,408)	(641,882)	335,559	(1,053,859)
Gain/(loss) on plan assets	(105,176)	(127,184)	(135,146)	(74,436)	(58,762)

PAAYAS 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 Company has recognised lease rental expenses of Rs. 72,66,573 (previous year Rs. 70,51,676) in the statement of profit and loss.

The lease for corporate office premises is for a period of four years and eleven months and is cancellable at the option of the lessee by giving three months notice. Agreement provides for increase in lease payments by 15% every three years. Lease for cluster office and bindyaka are for a period of six years and five years respectively with an annual increase in lease payments by 5%. For other office premises rent agreement is for the period of 11 months which can be cancelled only by lessee with the permission of lessor.

Future minimum lease payment are:

Particulars

	As at 31 March, 2021	As at 31 March, 2020
	Rupees	Rupees
Payable not later than one year	5,954,058	4,273,043
Payable later than one year but not later than five years	11,557,325	5,564,799
Payable later than five years	-	-
	17,511,383	9,837,842

Note 31: Earnings Per Equity Share

Particulars

	Unit	Year ended 31 March, 2021	Year ended 31 March, 2020
Net profit after tax	Rupees	85,840,281	50,874,946
Weighted average number of equity shares outstanding during the year	Numbers	4,219,301	3,800,924
Nominal value per Equity Shares	Rupees	100	100
Basic earnings per share	Rupees	20.34	13.38
Equity shares used to compute diluted earnings per share	Numbers	4,219,466	3,801,233
Diluted earnings per share	Rupees	20.34	13.38

Note 32: Details of Government grants

Details of grants received from NDDDB and its utilisation is as under:

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Opening balance	138,982	(1,366,600)
(b) Received during the year	3,503	10,373,728
	142,485	9,007,128
(c) Utilised during the year		
(i) For revenue expenses	-	8,868,146
(d) Return during the year	142,485	-
(e) Balance carried forward (a+b-c)	-	138,982

Note:

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)

PAAYAS 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

Nature of Relationship	Name of Entity
Key Management Personnel:	Ratan Kumar Singh

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

(Rupees)

Particulars	KMP	Total
Managerial remuneration:		
Ratan Kumar Singh	6,327,037	6,327,037
	(6,255,175)	(6,255,175)

Figures in brackets represent previous year's figures

Note 34:

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,466,201	6,636,331
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 35:

The Company is engaged in trading of milk and cattle feed, which is considered as 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 36:

On 20 September, 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% instead of 30% effective 01 April, 2019 subject to certain conditions. The tax expenses for the year ended 31 March, 2021 have been provided for at reduced tax rate.

Note 37:

The Ministry of home affairs vide order No.40-3/2020 dated March 24, 2020 imposed country wide lockdown and 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 38:

During the financial year 2019-2020, the Company had received a demand notice from Income tax authorities treating receipt and deposit of Specified Bank Notes amounting to Rs. 3,45,70,500 in the financial year 2016-17 (during the period from 9 November, 2016 to 30 December, 2016) as undisclosed income under section 68 of the Income-tax Act, 1961 and disallowed the delayed payment of provident fund amounting to Rs. 497,735. The tax liability and interest liability thereon amounted to Rs 2,68,77,967 and Rs. 78,72,361 respectively. The Company's Board of Directors had decided to opt for the opportunity available under "Vivad Se Vishwas Scheme" pursuant to which the Company had made a provision for tax amounting to Rs. 2,68,77,967 in its book of account in the financial year 2019-2020. The Company had made the initial payment of Rs. 63,90,100 in the previous year and the balance outstanding tax demand of Rs. 2,04,87,867 has been paid/adjusted against refund during the current year

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/-
Mamta Choudhary
Director
DIN-07253296

Sd/-
Sukhpal Jat
Director
DIN-06362918

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN-00142430

Sd/-
Anup Gupta
Company Secretary
M.No.-FCS 5302

Sd/-
Kapil Pachori
Assistant General Manager
(Finance)

Place: Jaipur
Date: 18th August 2021

PRODUCT BASKET



TONED MILK



HOMOGENIZED TONED MILK



DOUBLE TONED MILK



FULL CREAM MILK



PANEER



MASALA CHHACH
(SPICED BUTTERMILK)



CHHACH
(BUTTERMILK)

PRODUCT BASKET



DAHI



GHEE



GHEE
(MADE FROM COW MILK)



GOLD MUDRIKA PASHU POSHAN
MUDRIKA PASHU POSHAN



RAJASTHAN SPECIFIC MINERAL MIXTURE
MUDRIKA RATION BALANCER



दूध खरा, सेहत भरा



Paayas Milk Producer Company Limited

Incorporated under Part IXA of the Companies Act, 1956 (No.1 of 1956)

(Corporate Identity Number: U01211RJ2012PTC038955)

Registered Office: D-232, 233, 4th Floor, Atlantis Tower, Vaishali Nagar, Jaipur-302021, Rajasthan, India

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