



**2nd Annual Report & Financial Description**

**Financial Year  
2014-2015**



**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
[Incorporated Under Chapter IXA of the Companies Act, 1956]

# **Value, Mission and Vision statement of Saahaj Milk Producer Company Limited.**

## **Values\***

- Honesty
- Long Term Vision
- Quality
- Transparency
- Team Spirit
- Courage and Passion
- Awareness and Responsibility  
(at all levels)
- Timeliness

## **Mission\***

- Saahaj Milk Producer Company Limited is committed towards providing maximum return to its members through dairy business by providing them with competitive prices for milk and input services to increase milk productivity to reduce production cost.

## **Vision\***

- Saahaj Milk Producer Company Limited will be India's leading company in dairy business and will be first choice of producers, consumers and employees Saahaj Milk Producer Company Limited will be India's leading company in dairy business and will be first choice of producers, consumers and employees.

# Board of Directors



**Shri Mahesh Chandra**  
(DIN: 06965523)  
Chairman



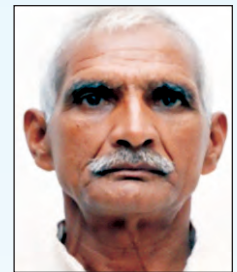
**Shri Digvijay Sigh**  
(DIN.: 06963747)  
Director



**Shri Shiv Singh**  
(DIN 06965779)  
Director



**Shri Surendra Kumar**  
(DIN: 07034201)  
Director



**Shri Chandrapal Singh**  
(DIN: 06964687)  
Director



**Shri Harpal Singh**  
(DIN.: 07060096)  
Director



**Smt. Sunita**  
(DIN.: 07081946)  
Director



**Smt. Akhilesh**  
(DIN. : 07051619)  
Director



**Shri Murari Lal**  
(DIN. : 06966195)  
Director



**Shri Javahar Lal**  
(DIN.: 07081926)  
Director



**Shri N.V. Belavadi**  
(DIN.: 01734080)  
Expert Director



**Shri Rishi Raj Singh**  
(DIN:07005277)  
Chief Executive & Director

**Company Secretary**

Shri Santosh Kumar Sharma

**Senior Manager, Finance & Accounts**

Shri Ramendra Singh

**Statutory Auditors**

M/s. S.B. Billimoria & Co.,  
Chartered Accountants  
7th Floor, Building 10, Tower B,  
DLF Cyber City, Phase-II, Gurgaon-122002  
Haryana

**Internal Auditors**

Ernst & Young LLP,  
Chartered Accountants,  
Gurgaon, Haryana

**Registrar and Transfer Agent (RTA)**

Link Intime India Pvt Ltd  
44, Community Centre, 2nd floor, Naraina Industrial Area,  
Phase I, PVR Naraina,  
New Delhi-110028

**Bankers**

HDFC Bank, Aligarh  
State Bank of India, Aligarh  
Indusind Bank, Aligarh

**Registered Office****SAAHAJ MILK PRODUCER COMPANY LIMITED**

CIN: U01403UP2014PTC066595

Cross Road Mall, 2nd Floor,  
Plot no. 5 & 6, Sector 13

Awasthi Vikas Colony, Sikandra Bodla Road,  
Agra - 282007, Uttar Pradesh

Phone : + 91 571-2904253

Email : [info@saahajmilk.com](mailto:info@saahajmilk.com), [www.saahajmilk.com](http://www.saahajmilk.com)

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Dear Members,

It is my great pleasure to welcome you all in Second Annual General Meeting of Saahaj Milk Producer Company Limited.

Saahaj Milk Producer Company was incorporated under the provisions of Chapter IX A of the Companies Act 1956 on October 17, 2014 as Producer Company in the State of Uttar Pradesh. Financial Year 2014-15 was First Operational year of the Company, where the Company was operated for five months starting from October 17, 2014 to March 31, 2015 and earned net profit of ₹463.01 lakh after Tax.

Your Directors has passed the resolution for recommending for payment of Dividend to those Members, whose names are appeared in the Register of Members of the Company as on March 31, 2015.

The Company had submitted four Sub Project Plans namely Village Based Milk Procurement system, (VBMPS) Ration Balancing Programme (RBP), Artificial Insemination (AI) and Fodder Development (FD) under National Dairy Plan-Phase I, to Project Management Unit, located at NDDDB. In the month of April 2015, we got three Projects under NDP-I, approved from Project Management Unit of NDDDB.

I express my heartfelt gratitude for support and contribution extended by you all for growth of the Company, and wish your support and contribution likewise in near future.

We welcome always your invaluable suggestion and guidance.

With best regards

Yours faithfully

Sd/-

**Mahesh Chandra**

Chairman

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**DIRECTORS' REPORT**

To,  
The Members,  
Saahaj Milk Producer Company Limited  
Agra

Your Directors are pleased to present the 2nd Annual Report on the operations of the company along with the audited Financial Statements for the period from October 17, 2014 to March 31, 2015.

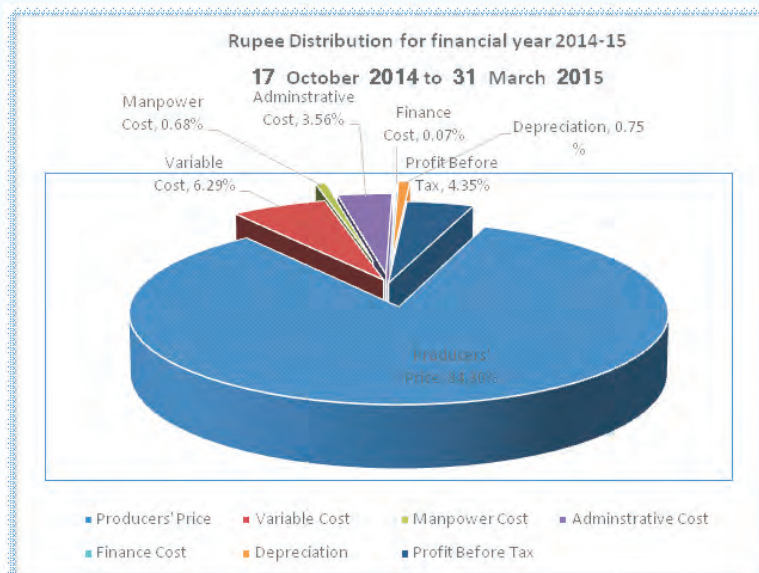
Saahaj Milk Producer Company Limited was incorporated as Producer Company on October 17, 2014 under the provisions of Part IXA of the Companies Act, 1956 in the state of Uttar Pradesh to undertake the business of pooling, purchasing, processing of milk and milk products primarily of the Members and also of others, marketing of the same and to deal in the activities that are part of or incidental to any activity related thereto.

**1. FINANCIAL PERFORMANCE**

The key financial performance of the Company are as under:

Particulars	For the year ended on 31st March 2015 (₹ in lac)
Revenue from operations	15,824.68
Expenditure including material cost	15,179.59
Profit / (Loss) before tax	690.41
Provision for taxation	227.40
Profit / (Loss) after tax	463.01

The financial year 2014-15 was the first year operations for the company. The incorporation date of the Company is October 17, 2014; hence above results are only for the period from 17 Oct 2014 to 31 March 2015.



during this period turnover of the company was ₹15824.68 lakhs and total expenditures were ₹15179.59 lakhs. The company earned **profit of ₹ 690.41 lakhs before tax (EPBT).**

## 2. LIMITED RETURN (DIVIDEND)

Pursuant to provisions of Article No 9.18, of Articles of Association of the company, the board of directors are pleased to recommend limited return (dividend) at the rate of ₹10/- per equity share of ₹ 100/- each fully paid up. The limited return (dividend) will be paid to those members, whose names are appearing in the Register of Members of the company as on 31st March 2015.

Dividend	₹ 22.20 lac
Dividend Distribution Tax	₹ 4.52 lac
Total	₹ 26.72 lac

## 3. TRANSFER TO GENERAL RESERVE

Pursuant to provision of Article No 11.10, of Articles of Association of the company read with section 581 ZI of the Companies Act 1956, the board proposes to transfer ₹ 436.29 lac to the credit of General Reserve in the Balance Sheet.

## 4. REVIEW OF OPERATIONS

During the period under review, your directors would like to inform you that since incorporation, your Company is operating in ten District of Uttar Pradesh viz, Agra, Firozabad, Aligarh, Etah, Hathras, Etawah, Manipuri, JP Nagar, Moradabad and Badaun.

### Milk and Milk Products:

The company arrange to collect milk from the milk producer members at the village level by setting up milk pooling points (MPP). The Milk supplied by members is tested for its quality, measured for quantity and the members are given an acknowledgment at the MPP. This process ensures fairness and transparency in operation and ensure healthy and safe milk supply to our Customers.

The total milk procured during period under review was 4.25 lakhs kg. per day (Flush Season).

## 5. WAY FORWARD

In near future, the company is likely to launch its own poly pack milk, curd, chhach, lassi and marketing of desi ghee etc. apart from milk collection activities.

### A) PRODUCER INSTITUTION BUILDING

During reporting period the PIB department of the company has conducted various producer institution building programme, due to which 44999 (Fourty Four Thousand Nine Hundred Ninety Nine) milk producers were given membership of Saahaj Milk Producer Company Limited in the year 2014-15. The membership spans over 10 districts (4 clusters) of western Uttar Pradesh. 9695 (Nine thousand Six Hundred Ninety Five) members are women, which accounts to 21.5% of total membership.



The following is the cluster-wise membership details:-

S.No.	Cluster	Districts	Total Members	Women Members	Women membership percentage(%)
1	Agra	Agra, Firozabad	10106	2149	21.3
2	Aligarh	Aligarh, Etah, Hathras	12226	2365	19.3
3	Etawah	Etawah, Mainpuri	9544	2507	26.3
4	Moradabad	Moradabad, JPNagar, Badaun	13123	2674	20.4
		<b>Total</b>	<b>44999</b>	<b>9695</b>	<b>21.5</b>

Caste-wise analysis of membership data revealed that 20% of members belong to General, 70% to OBC, 9% to SC and 1% to ST category respectively.

During reporting period, two lakhs twenty one thousand and nine hundred ninety numbers of Equity shares were allotted.

The orientation program for Directors was conducted for two days starting from March 12 to March 15, 2015 at Hotel Ruby, Aligarh. In workshop, the board members were given information about their roles and responsibilities. Inputs were also given on how to make Saahaj MPC a leader in dairy industry.

#### **B) SUB PROJECT PLAN**

During Reporting period, the company had submitted four sub project plans under National Dairy Plan-Phase I, to Project Management Unit, located at NDDDB, these are as under:

- (i) Village Based Milk Procurement system (VBMPS).
- (ii) Ration Balancing Programme (RBP)
- (iii) Artificial Insemination (AI)
- (iv) Fodder Development (FD)

#### **(C) QUALITY ASSURANCE**

Quality has played an important role in growth of the company. To maintain and expand our market leadership as well as to meet the growing demand of Qualitative Milk and milk products, Quality Assurance department at Saahaj MPCL is committed to improve Quality and Safety of Milk and Milk Products in conformity of various national as well as international regulatory requirements / standards as well as Industry norms.

Our Milk Chilling Centers (MCC) are equipped with and developed for checking chemical and bacteriological quality of milk as well as any kind of adulteration. We have arranged highly sophisticated analytical equipment like digital BR meters, Milk Analysers, RM Testing facilities, Remi centrifuge etc. at all of our MCC's to check the quality of Milk received / dispatched.

We have implemented procedures to track improvement and deviations in Milk Quality at each stage of supply chain through Quality Assurance Application & MIS system, whereby various quality records are received and checked in real time. We also conduct, unannounced visits at our MCC, to carryout different

quality test in order to improve and maintain our milk quality, and also to look for any potential weaknesses in chain & to overcome them effectively.

We have implemented a number of demanding quality controls Systems and Procedures for ensuring safety of our products like launching of incentive plan to improve raw milk quality (MBR Time) on continuous basis at MCC, strict compliance of the regulations (FSSAI, Legal Metrology, GMP, GHP etc.) concerning quality assurance and Control in dairy business.

We provide training modules to our Lab In charges / Chemists / Quality Personnel to avoid loss of quality and to fulfill our own demands for continuous improvement and future plans for providing our consumers good quality milk and milk products. The training programmes covered about Milk Testing Methods, FSSAI norms, Hygiene and Food Safety, best manufacturing practices and Clean Milk Production, Cleaning in Place and Good Lab Practices to enhance the milk quality. The company is confident to maintain good quality milk products to be launched in future.

## 6. SHARE CAPITAL

The Company has Authorized Capital of ₹ 20,00,00,000 divided into 2000000 numbers of Equity Shares of ₹ 100 each.

During reporting period, the company has paid up capital of ₹ 2,21,99,000 divided into 221990 numbers of Equity Shares of ₹100 each and 44999 numbers of Members.

During reporting period, the company has made four numbers of allotment on December 11, 2014, December 16, 2014, January 15, 2015 and March 12, 2015.

During reporting period, the share certificates were issued to promoters on october 27, 2014.

## 7. DIRECTORS

### A. COMPOSITION

Saahaj Milk Producer Company Limited was incorporated on October 17, 2014 as Producer Company. Shri Mahesh Chandra, Shri Digvijay Singh, Shri Shiv Singh, Shri Chandra Pal Singh and Shri Murari Lal were Promoter Directors of the Company since incorporation, who were re-appointed in First Annual General Meeting held on December 11, 2014.

Pursuant to provisions of Article 9.8 of the Articles of Association, Shri Mahesh Chandra, Director was appointed as Chairman of the Company for a period of 4 years with effect from October 27, 2014.

Shri Rishiraj Singh, was appointed as Chief Executive & Director by the Board of Directors in its meeting held on October 27, 2014, with effect from December 01, 2014 for a period of three years.

Shri Surendra Kumar, who is Promoter Member of the Company was appointed as Additional Director by Board of Directors in its meeting held on November 25, 2015, with effect from December 03, 2014 and whose appointment was regularized as Director, retire by rotation in First annual general meeting of Members held on December 11, 2014.

Pursuant to provisions of Article 9.7(i) of Articles of Association, the Board of Directors has appointed Smt. Akhilesh, Shri Harpal Singh as Additional Directors with effect from January 15, 2015 upto the date of

Second Annual General Meeting, Shri Javahar Lal and Smt. Sunita as Additional Directors with effect from March 12, 2015 upto the date of Second Annual General Meeting.

Pursuant to provisions of Section 257 of the Companies Act 1956, all four additional Directors proposed their candidature for appointing them as Director, retire by rotation and whose statement of Qualification is enclosed to Notice of Second Annual General Meeting pursuant to provision of Section 581ZA (4c) of the Companies Act, 1956.

Pursuant to provision of Article 9.6(i) Shri Shiv Singh, Director and Shri Mahesh Chandra, Director shall retire by rotation in Second Annual General Meeting, and being eligible as per statement of Qualification as enclosed to Notice of Second Annual General Meeting, pursuant to provisions of Section 581ZA (4c) of the Companies Act, 1956, seek their re-appointment.

Shri N.V. Belavadi was appointed as Expert Director for period of 2 years with effect from December 16, 2015.

## B. MEETING

During the reporting period under review, the Board met Six times.

Attendance status of directors in the meeting are as under:

Name of Directors	Number of Meeting Held*	Number of Meeting attended
Shri Mahesh Chandra	6	6
Shri Digvijay Singh	6	6
Shri Chandrapal Singh	6	6
Shri Shiv Singh	6	6
Shri Murari Lal	6	6
Shri Rishiraj Singh	5	5
Shri N.V. Belavadi	2	2
Shri Surendra Kumar	4	4
Smt. Akhilesh	1	1
Shri Harpal Singh	1	1
Smt. Sunita	0	0
Shri Javahar Lal	0	0

\* Number of Board meeting held in their tenure as director of Company.

## 8. GENERAL MEETINGS

During the reporting period, first Annual General Meeting was held on December 11, 2014 at Aligarh.

**9. COMPANY SECRETARY**

Shri Santosh Kumar Sharma, fellow member of ICSI has been joined as Company Secretary with effect from March 13, 2015.

**10. INTERNAL CONTROL SYSTEM**

Pursuant to provisions of Section 581ZF of the Companies Act, 1956, M/s. Ernst & Young LLP, Chartered Accountants, has been 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.

**11. STATUTORY AUDITORS AND THEIR REPORT**

M/s S.B. Billimoria & Co., Chartered Accountants, Gurgaon, Haryana bearing firm registration no. 101496W with ICAI, is Statutory Auditors of the company, who was appointed in First Annual General Meeting held on December 11, 2014 and whose term of appointment is going to expire at conclusion of ensuing Annual General Meeting.

M/s S.B. Billimoria & Co., Chartered Accountants is eligible and offer to act as Statutory Auditors next term starting from conclusion of 2nd Annual General Meeting till conclusion of 3rd Annual General Meeting pursuant to provisions of the Companies Act, at such remuneration as may be approved by Members.

The company has received a certificate from the above Auditors to the effect that the re-appointment if made, would be within the limits prescribed under the provisions of Section 224(1B) of the Companies Act, 1956.

Your Directors recommended M/s. S.B. Billimoria & Co., appointment as Statutory Auditors in ensuing Annual General Meeting.

In Auditors Report, no observation was made, which requires explanation from the Board.

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, Directors' Responsibility Statement, your Directors state that:

- (i) In the preparation of the Financial Statement for the period October 17, 2014 to March 31, 2015 applicable accounting standards have been followed and there are no material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made the 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 profit for that period.
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the Financial Statement for the period October 17, 2014 to March 31, 2015 on going concern basis.

**13. REGISTERED OFFICE**

The registered office of the Company was shifted from Village Sindhauli, Post- Dhanipur, G.T. Road, Aligarh, Uttar Pradesh-202001 to Cross Roads Mall, 2nd floor, Plot No. 5 & 6 Sector 13, Awas Vikas Colony, Sikandra Yojna, Sikandra Bodla Road, Agra-282007, Uttar Pradesh w.e.f. December 11, 2014.

**14. PARTICULARS OF EMPLOYEES**

Pursuant to provision of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, none of the employees were in receipt of remuneration which in the aggregate exceeds Rupees Sixty lacs per annum or Rupees five lacs per month, as the case may be, during the period under review.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as under:

- 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: Earning- Nil, Outgo- Nil.

**16. ACKNOWLEDGEMENT**

The Board of Directors wish to convey their appreciation to Members, business associates for their continued support and contribution during period under Review.

The Board of Directors would also like to convey heartfelt thanks to bankers, employees, Statutory and Internal Auditors, Central Government, state Government and other Governmental and non-Governmental Authorities for their continued support to the Company.

The Board of Directors acknowledge with gratitude the encouragement and support extended by National Dairy Development Board, NDDB Dairy Services and Mother Dairy Fruits & Vegetable Private Limited

For and on behalf of the Board of Directors

Sd/-

**MAHESH CHANDRA**  
CHAIRMAN & DIRECTOR  
DIN:06965523

Place: Agra

Dated: August 14, 2015

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF

**Report on the Financial Statements**

We have audited the accompanying financial statements of SAAHAJ MILK PRODUCER COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the period 17 October, 2014 (date of incorporation of the Company) to 31 March, 2015, and a summary of the significant accounting policies and other explanatory information.

**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 principles generally accepted in India, including the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial

controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the period ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 581ZG of the Part IXA of the Companies Act, 1956 (in terms of section 465 of the Companies Act, 2013, provisions of part IXA of the Companies Act are applicable to a producer company in a manner as if the Companies Act, 1956 has not been repealed), we give in the Annexure 2 a statement on the matters specified in that Section.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For S. B. BILLIMORIA & CO.

Chartered Accountants

(Registration No. 101496W)

Sd/-

Jitendra Agarwal

Partner

(Membership No. 87104)

Place: Gurgaon

Date: August 14, 2015



**ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements'  
section of our report of even date)**

Having regard to the nature of the Company's business / activities / results during the period, clauses (vi) and (viii) of paragraph 3 of the Order are not applicable to the Company

**(i) In respect of its fixed assets :**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

**(ii) In respect of its inventories:**

- a. As explained to us, the inventories were physically verified during the period by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods. The Company's operations during the period do not give rise to any sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) According to the information and explanations given to us, in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the operations of the Company during the period did not give rise to any liability for Sales tax, Value Added Tax, Customs Duty, Excise Duty and Wealth Tax.
  - b. There are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
  - c. There are no dues of Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2015 on account of any dispute.
  - d. There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) According to the information and explanations given to us, the Company has not taken any loan from the banks or financial institutions and it has not issued any debentures. Therefore, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (viii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (ix) According to the information and explanations given to us, the Company has not obtained any term loan. Therefore, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (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 has been noticed or reported during the period.

For S. B. BILLIMORIA & CO.  
Chartered Accountants  
(Firm Registration No. 101496W)  
Sd/-  
**(Jitendra Agarwal)**  
Partner  
(Membership No. 87104)

Place: Gurgaon

Date: August 14, 2015

**ANNEXURE 2 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. The amount of debts due from sale of goods and services are as disclosed in note 13 to the financial statements. According to the information and explanations given to us no debts are considered as doubtful of recovery.
- ii. According to the information and explanations given to us, cash on hand as at period-end has been physically verified by the management and no discrepancies were noticed on such verification. According to the information and explanations given to us, the Company does not hold any investment securities.
- iii. The details of assets and liabilities as at 31 March, 2015 are as per the financial statements of the Company as at and for the period ended 31 March, 2015.
- iv. In our opinion and according to the information and explanations given to us, the Company has not done any transaction which appears to be contrary to the provisions of part IXA of the Companies Act, 1956.
- v. According to the information and explanations given to us, the Company has not granted any loan to its directors.
- vi. According to the information and explanations given to us, the Company has not given any donations or subscriptions during the period.

For S. B. BILLIMORIA & CO.  
Chartered Accountants  
(Firm Registration No. 101496W)  
Sd/-  
**(Jitendra Agarwal)**  
Partner  
(Membership No. 87104)

Place: Gurgaon

Date: August 14, 2015

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2015**

	Note No.	As at 31st March 2015 (₹)
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' funds</b>		
(a) Share capital	3	2,21,99,000
(b) Reserves and surplus	4	4,36,28,876
		6,58,27,876
<b>2. Non - current liabilities</b>		
(a) Long - term provisions	5	7,13,105
		7,13,105
<b>3. Current liabilities</b>		
(a) Trade payables	6	17,28,53,782
(b) Other current liabilities	7	15,82,65,650
(c) Short - term provisions	8	2,21,34,135
		35,32,53,567
Total		<b>41,97,94,548</b>
<b>B. ASSETS</b>		
<b>1. Non - current assets</b>		
(a) Fixed assets		
(i) Tangible assets	9	14,47,14,135
(b) Deferred tax assets (net)	10	5,09,878
(c) Long - term loans and advances	11	12,15,160
		14,64,39,173
<b>2. Current assets</b>		
(a) Inventories	12	2,14,80,123
(b) Trade receivables	13	16,19,12,063
(c) Cash and cash equivalents	14	8,76,70,260
(d) Short - term loans and advances	15	18,38,417
(e) Other current assets	16	4,54,512
		27,33,55,375
Total		<b>41,97,94,548</b>

See accompanying notes forming part of the financial statements

In term of our report attached

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

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**Maresh Chandra**

Director

Sd/-

**Santosh Kumar Sharma**

Company Secretary

Sd/-

**Dr. R R Singh**

Director & Chief Executive

Sd/-

**Ramendra Singh**

Sr Manager Finance & Accounts

Sd/-

**Jitendra Agarwal**

Partner

Place : Gurgaon

Date : 14.08.2015

Place : Agra

Date : 14.08.2015

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD**  
**FROM 17 OCTOBER, 2014 TO 31 MARCH, 2015**

	Note No.	As at 31st March 2015 (₹)
1. Revenue from operations	17	1,58,24,67,790
2. Other income	18	45,32,472
<b>3. Total revenue (1+2)</b>		<b>1,58,70,00,262</b>
<b>4. EXPENSES</b>		
(a) Purchases of stock-in-trade	19	1,45,90,61,740
(b) Changes in inventories of stock-in-trade	20	(2,14,80,123)
(c) Employee benefits expense	21	1,08,63,525
(d) Finance costs	22	10,71,590
(e) Depreciation expense	9	1,19,12,907
(f) Other expenses	23	5,65,29,807
<b>Total expenses</b>		<b>1,51,79,59,446</b>
<b>5. Profit before tax (3-4)</b>		<b>6,90,40,816</b>
6. Tax expense :		
(a) Current tax		2,32,50,000
(b) Deferred tax (credit)		(5,09,878)
Net tax expense		2,27,40,122
<b>7. Profit for the period (5-6)</b>		<b>4,63,00,694</b>
<b>8. Earnings per equity share:</b>	27	
(Nominal value Rs. 100 per share)		
(a) Basic		375.98
(b) Diluted		375.98

See accompanying notes forming part of the financial statements

In term of our report attached

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

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**Mahesh Chandra**

Director

Sd/-

**Santosh Kumar Sharma**

Company Secretary

Sd/-

**Dr. R R Singh**

Director & Chief Executive

Sd/-

**Ramendra Singh**

Sr Manager Finance & Accounts

Sd/-

**Jitendra Agarwal**

Partner

Place : Gurgaon

Date : 14.08.2015

Place : Agra

Date : 14.08.2015

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD**  
**FROM 17 OCTOBER, 2014 TO 31 MARCH, 2015**

Note No.	As at 31st March 2015 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>	
Profit before tax	6,90,40,816
<b>Adjustments For :</b>	
Interest income	(5,05,014)
Finance costs	10,67,343
Provision for employee benefits	8,71,581
Depreciation expense	1,19,12,907
<b>Operating Profit before working capital changes</b>	<b>8,23,87,633</b>
<b>Adjustments for movement in working capital:</b>	
(Increase) in inventories	(2,14,80,123)
(Increase) in trade receivables	(16,19,12,063)
(Increase) in long term loans and advances	(12,15,160)
(Increase) in short term loans and advances	(18,38,417)
Increase in trade payables	17,28,53,782
Increase in other current liabilities	23,87,239
<b>Cash generated from operations</b>	<b>7,11,82,891</b>
Net income tax (paid)	(50,13,502)
<b>Net cash flow from operating activities (A)</b>	<b>6,61,69,389</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>	
Bank balances not considered as cash and cash equivalents	(3,50,00,000)
purchase of fixed assets	(7,48,631)
Interest received	50,502
<b>Net cash flow (used in) investing activities (B)</b>	<b>(3,56,98,129)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	
Proceeds from issue of equity share capital	2,21,99,000
Net cash flow from financing activities (C)	2,21,99,000
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>5,26,70,260</b>
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>5,26,70,260</b>
Cash and cash equivalents comprises:	
Balances with banks:	
in current accounts	5,26,70,260
Cash and cash equivalents as per Cash Flow Statement	5,26,70,260

See accompanying notes forming part of the financial statements

In term of our report attached

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

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**Jitendra Agarwal**  
Partner

Sd/-  
**Mahesh Chandra**  
Director

Sd/-  
**Santosh Kumar Sharma**  
Company Secretary

Sd/-  
**Dr. R R Singh**  
Director & Chief Executive  
Sd/-

**Ramendra Singh**  
Sr Manager Finance & Accounts

Place : Gurgaon  
Date : 14.08.2015

Place : Agra  
Date : 14.08.2015

**SAAHAJ MILK PRODUCER COMPANY LIMITED****Notes forming part of the financial statements****1. Corporate information**

Saahaj Milk Producer Company Limited ("the Company") was incorporated on 17 October, 2014 under Part IXA of the Companies Act, 1956.

The Company has started the procurement operations in the state of Uttar Pradesh from 12 December, 2014. The Company procures milk directly from milk producers through Milk Pooling Points in villages of Uttar Pradesh and sells to Mother Dairy Fruit and Vegetable Private Limited.

**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") / Companies Act, 1956 ("the 1956 Act") as applicable. MCA has clarified that the provisions of part IXA of the Companies Act, 1956 shall be applicable to a producer company in the manner as if the Companies Act, 1956 has not been repealed. The financial statements are prepared on accrual basis under the historical cost convention.

**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. Fixed assets (Tangible)**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets 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 fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previous assessed standard of performance.

**h. Depreciation**

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life of the assets, which has been 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 under:**

Description	Useful life (in years)
Plant and equipment	10
Furniture and fixtures	15
Computers	3
Office equipment	10

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.



**i. Inventories**

Inventories comprise finished goods. 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.

**j. 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.

**k. 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.

**l. 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 recognized 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.

**m. Impairment of assets**

At each balance sheet date, the Company reviews the carrying values of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

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

**n. 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.

**o. 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.

**p. Material events**

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

**q. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization 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.

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**Notes forming part of the Financial Statements**

**Note 3: Share Capital**

	As at 31 March, 2015	
	Number of shares	Amount Rupees
(a) Authorised share capital Equity Shares of Rs. 100 each	2,000,000	200,000,000
(b) Issued, subscribed and fully Paid up share capital Equity Shares of Rs. 100 each	221,990	22,199,000

See notes (i) to (iii) below

**Notes :**

**(i) Rights, preferences and restrictions attached to shares**

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

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

	As at and for the period ended 31 March, 2015	
	Number of shares	Amount Rupees
Shares issued during the period	221,990	22,199,000
Shares outstanding at the end of the period	221,990	22,199,000

**(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.

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 4: Reserves and surplus**

Particulars	As at 31 March, 2015 (₹)
<b>(a) General reserve</b>	
Add: Transferred from surplus in Statement of Profit and Loss	43,628,876
Closing balance	<u>43,628,876</u>
<b>(b) Surplus in Statement of Profit and Loss</b>	
Profit for the period	46,300,694
Less:	
(i) Proposed limited return (dividend) to members (Rs.10 per share)	2,219,900
(ii) Tax on proposed limited return (dividend)	451,918
(iii) Transferred to General reserve	43,628,876
Closing balance	<u>-</u>
<b>Total (a+b)</b>	<b><u>43,628,876</u></b>

**Note 5 : Long term provisions**

Particulars	As at 31 March, 2015 (₹)
<b>(a) Provision for employee benefits:</b>	
(i) For compensated absences	481,688
(ii) For gratuity	231,417
	<u>713,105</u>

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 6: Trade Payables**

Particulars	As at 31 March, 2015 (₹)
(a) Trade Payables (other than acceptances) (see note 9)	17,28,53,782
	<b>17,28,53,782</b>

**Note 7: Other current liabilities**

Particulars	As at 31 March, 2015 (₹)
(a) Payable on purchase of fixed assets	15,58,78,411
(b) Statutory dues	14,02,269
(c) Trade / security deposits received	9,84,970
	<b>15,82,65,650</b>

**Note 8: Short term provisions**

Particulars	As at 31 March, 2015 (₹)
(a) Provision for employee benefits:	
(i) For compensated absences	1,57,747
(ii) For gratuity	729
(b) Provision for Income-tax (net of advance tax of Rs. 5,013,502)	1,93,03,841
(c) Provision - others	
(i) Provision for proposed limited return (dividend)	22,19,900
(ii) Provision for tax on proposed limited return	4,51,918
	<b>2,21,34,135</b>

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 9: Fixed assets**

Rupees

Particulars	Gross Block		Accumulated Depreciation		Net block
	Additions	As at 31 March, 2015	Depreciation charge for the period	As at 31 March, 2015	As at 31 March, 2015
Plant and equipment	15,05,95,233	15,05,95,233	1,14,19,306	1,14,19,306	13,91,75,927
Furniture and fixtures	16,72,823	16,72,823	35,410	35,410	16,37,413
Office equipment	2,82,445	2,82,445	18,926	18,926	2,63,519
Computers	40,76,541	40,76,541	4,39,265	4,39,265	36,37,276
<b>Total</b>	<b>15,66,27,042</b>	<b>15,66,27,042</b>	<b>1,19,12,907</b>	<b>1,19,12,907</b>	<b>14,47,14,135</b>

**Note 10: Deferred tax assets (net)**

Particulars	As at 31 March, 2015 (₹)
(i) Tax effect of items constituting deferred tax assets:	
a. Provision for compensated absences and gratuity	2,88,170
b. Disallowances under section 35D of the Income Tax Act	4,56,297
c. Others	-
	7,44,467
(ii) Tax effect of items constituting deferred tax liabilities:	
a. On difference between book balance and tax balance of fixed assets	2,34,589
	2,34,589
<b>Net deferred tax asset</b>	<b>5,09,878</b>

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 11: Long - term loans and advances**

Particulars	As at 31 March, 2015 (₹)
(Unsecured, considered good)	
(a) Security deposits	12,15,160
	<b>12,15,160</b>

**Note 12: Inventories**

Particulars	As at 31 March, 2015 (₹)
(At lower of cost and net realisable value)	
(a) Stock-in-trade	
(i) Stock-in-trade	86,77,120
(ii) Stock-in-trade in transit	1,28,03,003
	<b>2,14,80,123</b>

**Note 13: Trade receivables**

Particulars	As at 31 March, 2015 (₹)
(Unsecured, considered good)	
(a) Outstanding for period less than six months from the date they were due for payment	16,19,12,063
	<b>16,19,12,063</b>



**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
 Notes forming part of the Financial Statements

**Note 14: Cash and cash equivalents**

Particulars	As at 31 March, 2015 (₹)
(a) Cash and cash equivalents	
(i) Balance with banks:	
a) In current accounts	5,26,70,260
Cash and cash equivalents as per AS 3 - Cash flow statement	<b>5,26,70,260</b>
(b) Other bank balances	
(i) In deposit accounts	3,50,00,000
- original maturity more than 3 months	
	<b>8,76,70,260</b>

**Note 15: Short - term loans and advances**

Particulars	As at 31 March, 2015 (₹)
(Unsecured, considered good)	
(a) Advances to vendors	10,50,557
(b) Prepaid expenses	7,87,860
	<b>18,38,417</b>

**Note 16: Other current assets**

Particulars	As at 31 March, 2015 (₹)
(Unsecured, considered good)	
(a) Interest accrued but not due on bank deposits	4,54,512
	<b>4,54,512</b>



**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 17: Revenue from operations**

Particulars	Period ended 31 March, 2015 (₹)
(a) Sale of products (refer note (i) below)	1,58,24,67,790
	1,58,24,67,790
<b>Note:</b>	
<b>Sale of products comprises:</b>	
<b>(i) Traded goods</b>	
a. Raw Milk	1,58,24,67,790
<b>Total</b>	<b>1,58,24,67,790</b>

**Note 18: Other income**

Particulars	Period ended 31 March, 2015 (₹)
(a) Interest income	
(i) On deposits with banks	5,05,014
(b) Other non-operating income	
(i) Membership fee	40,13,850
(ii) Miscellaneous income	13,608
	<b>45,32,472</b>

**Note 19: Purchases of stock-in-trade**

Particulars	Period ended 31 March, 2015 (₹)
(a) Raw milk	1,35,92,63,909
(b) Procurement expenses	9,97,97,831
	<b>1,45,90,61,740</b>

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 20: Changes in inventories of stock-in-trade**

Particulars	Period ended 31 March, 2015 (₹)
<b>Decrease/(increase) in inventories of stock-in-trade</b>	
(a) Inventories at the beginning of the period	
Stock-in-trade	-
(b) Inventories at the end of the period	
Stock-in-trade	2,14,80,123
	<b>2,14,80,123</b>
<b>Net decrease/(increase)</b>	<b>(2,14,80,123)</b>

**Note 21: Employee benefits expense**

Particulars	Period ended 31 March, 2015 (₹)
(a) Salaries and wages	95,87,185
(b) Contribution to provident fund	6,64,802
(c) Gratuity expense	2,32,146
(d) Staff welfare expenses	3,79,392
	<b>1,08,63,525</b>

**Note 22: Finance costs**

Particulars	Period ended 31 March, 2015 (₹)
(a) Interest on late deposit of service tax	4,247
(b) Interest on delayed payment of income tax	10,67,343
	<b>10,71,590</b>



**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**Notes forming part of the Financial Statements**

**Note 23: Other Expenses**

Particulars	Period ended 31 March, 2015 (₹)
(a) Consumption of stores and spares	55,01,992
(b) Power and fuel	1,77,012
(c) Rent	29,01,025
(d) Rates and taxes	5,57,300
(e) Repair and maintenance - machinery	45,66,034
(f) Repair and maintenance - others	1,79,328
(g) Preliminary expenses written off	17,25,103
(h) Freight, forwarding and distribution expenses	2,50,11,986
(i) Insurance charges	3,93,930
(j) Legal and professional fees	14,71,622
(k) Auditor's remuneration (refer note (i) below)	5,70,000
(l) Travelling and conveyance	28,04,643
(m) Labour charges	83,56,785
(n) Communication expenses	6,41,370
(o) Miscellaneous expenses	16,71,677
	<b>5,65,29,807</b>
<b>Note:</b>	
(i) Auditors' remuneration comprises:	
a. Statutory audit fee	4,25,000
b. Tax audit fee	75,000
c. Service tax on above	70,000
	<b>5,70,000</b>

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 24**

Particulars	As at 31 March, 2015 (₹)
Contingent Liabilities and Commitments	Nil

**Note 25: Employee benefit plans**

Particulars	As at 31 March, 2015 (₹)
-------------	-----------------------------

**Defined-contribution plans**

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

The Company has recognised Rs. 664,802 for Provident Fund and Pension Fund contribution in the Statement of Profit and Loss.

**Defined-benefits plans**

The Company offers its employees defined-benefit plan in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plan is based on years of service and the employee's compensation (immediately before separation). The gratuity scheme covers all regular employees. 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 status of the defined benefit scheme in respect of Gratuity and amount recognised in the financial statements.

**i. Change in defined benefit obligation**

Current Service Cost	2,32,146
Present value of obligations at the end of the period	<u>2,32,146</u>

**ii. Fair value of Plan Assets**

Fair value of plan assets at the end of the period	-
	<u>-</u>

The scheme is unfunded, hence plan assets are Nil.

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2015 (₹)
<b>iii. Amount recognised in the Balance Sheet</b>	
Present value of defined benefit obligations	2,32,146
Fair value of plan assets	-
Net liability/(asset) recognised in the balance sheet	<b>2,32,146</b>
<b>iv. Expenses recognised in the Statement of Profit and Loss</b>	
Current service costs	2,32,146
Net actuarial gain/(loss) recognized during the period	-
Expenditure recognized in the Statement of Profit and Loss	<b>2,32,146</b>
<b>v. Balance Sheet reconciliation</b>	
Expenses as above	2,32,146
Contributions	-
Net liability/(asset) at the end of the period	<b>2,32,146</b>
<b>vi. Principal actuarial assumptions</b>	
Discount rate	7.95% p.a
Expected salary escalations	10.00% p.a.
Expected return on plan assets	N.A
Attrition rate	1.00% p.a
Remaining Working Life	20.52 Years
Mortality table used	IALM 2006-08
Ultimate	
<p>The 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.</p> <p>The estimates of future salary increases considered, takes into account the inflation, seniority, promotions, increments and other relevant factors.</p>	
<b>vii. Experience adjustment</b>	
Present value of DBO	2,32,146
Fair value of plan assets	-

**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

Particulars	As at 31 March, 2015 (₹)
Funded status	2,32,146
Gain/(loss) on obligations	-
Gain/(loss) on plan assets	-
<b>Compensated absences</b>	
<b>Principal actuarial assumptions</b>	
Discount rate	7.95% p.a
Expected salary escalations	10.00% p.a.
Expected return on plan assets	N.A
Attrition rate	1.00% p.a
Remaining Working Life	20.52 Years
Mortality table used	IALM 2006-08 Ultimate

**Note 26: Leasing arrangements**

Particulars	As at 31 March, 2015 (₹)
<p>The Company has entered into operating lease arrangements for its office premises which can be renewed on mutually agreed terms and conditions. The lease rental expenses of Rs. 2,901,025 in respect of obligation under operating leases have been recognized in the statement of profit and loss.</p>	
<b>Future minimum lease payment are:</b>	
Payable not later than one year	7,10,875
Payable later than one year but not later than five years	8,61,840
Payable later than five years	9,73,674
	<b>25,46,389</b>



**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
Notes forming part of the Financial Statements

**Note 27: Earnings Per Equity Share**

Particulars	Unit	Period ended 31 March, 2015 (₹)
Net profit after tax	Rs.	4,63,00,694
Weighted average number of equity shares outstanding during the period	Numbers	1,23,148
Nominal value per Equity Shares	Rupees	100
Basic earnings per share	Rupees	375.98
Equity shares used to compute diluted earnings per share	Numbers	1,23,148
Diluted earnings per share	Rupees	375.98

**Note 28:**

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 person
Key Management Personnel:	Dr. Rishi Raj Singh (Chief Executive)

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

Nature of transactions	(Rupees)	
	KMP	Total
<b>Managerial remuneration:</b>		
Dr. Rishi Raj Singh	8,55,684	8,55,684



**SAAHAJ MILK PRODUCER COMPANY LIMITED**  
**Notes forming part of the Financial Statements**

**Note 29:**

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

**Note 30:**

The disclosures as required under Accounting Standard AS-17 on Segment reporting are not required as the Company primarily deals in single business segment of Milk and operates in one geographical segment.

**Note 31:**

Since the company has been formed during the current year, the provisions of Corporate Social Responsibility under section 135 of Companies Act, 2013 are not applicable.

**Note 32:**

These financial statements have been prepared for the period 17 October, 2014 (date of incorporation of the Company) to 31 March, 2015. This being first financial statements of the Company, there are no prior period comparatives.

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

**Mahesh Chandra**

Director

**Dr. R R Singh**

Director & Chief Executive

**Santosh Kumar Sharma**

Company Secretary

**Ramendra Singh**

Sr Manager Finance & Accounts

Place: Agra

Date : 14.08.2015



**Training Programme  
for Directors at  
Ruby Hotel, Aligarh**

**Directors Orientation  
Programme at  
Aligarh (Ruby Hotel)  
on March 12-14, 2015**



**Finalisation of  
Vision, Mission and  
Values Statement of Saahaj  
By Board Members**

## Awareness Programs conducted to Potential Members After incorporation of Saahaj



**Ikonda**



**Ikonda**



**Rampura**

## Awareness Programs conducted to Potential Members After incorporation of Saahaj



**Chakar Nagar**



**Nagla Baag**



**Vidhipura**



**Inauguration of  
Aligarh office  
on December 12, 2014  
by Shri Mahesh Chandra,  
Chairman and  
Dr. R.R. Singh, Chief Executive**

**Clean Milk  
Production Training  
at Etawah MPI**



**Sahayak  
Orientation Programme  
Atrauli MCC**





# संतुलित पशु आहार

**Net Weight : 50 KG**  
(when packed)

Quality Product from  
**SAHAJ MILK PRODUCER COMPANY LIMITED**

2nd floor, Cross Roads Mall, Sec-3,  
Awaz Vikas Colony, Sikandra-Bodla Road, Agra-282007



## BOOK POST

Form :

**SAHAJ MILK PRODUCER COMPANY LIMITED**

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Phone : + 91 571-2904253

Email : [info@saahajmilk.com](mailto:info@saahajmilk.com), [www.saahajmilk.com](http://www.saahajmilk.com)