



दूध खरा
सैहत भरा



**11TH ANNUAL
REPORT
2022-23**



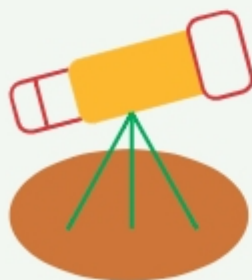
Values

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 all members, customers and employees.





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11th Annual General Meeting

(19.09.2022)



Corporate Information

(As on March 31, 2023)

Board Of Directors

Chairperson

Smt. Mamta Choudhary

Directors

Smt. Geeta Devi Gurjar
Smt. Sunita Sharma
Smt. Chanda Yadav
Shri Sed Mal Sharma
Shri Narayan Lal Gurjar
Shri Ladu Lal
Shri Vijay Singh Meena
Shri Bhagchand
Shri Jagdish Prasad Inaniya
Shri Hanuman Choudhary

Expert Directors

Shri Saugata Mitra
Prof. Madhavi Mehta

Director & Chief Executive

Shri Ratan Kumar Singh

Company Secretary

Shri Anup Gupta

Chief Financial Officer

Shri Kapil Pachori

Statutory Auditors

Price Waterhouse Chartered
Accountants LLP, New Delhi

Internal Auditors

Ernst & Young LLP
Chartered Accountants, Gurgaon

Bankers

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

Registrar and Share Transfer Agent

BEETAL Financial & Computer
Services Pvt Ltd.
Beetal House, 3rd Floor,
99, Madangir,
New Delhi - 110062

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



Shri Narendra Modi
Prime Minister of India



Shri Amit Shah
Deputy Prime Minister of India
Minister of Home Affairs & Cooperation



Shri Parshuram Prasad
Minister of Agriculture & Farmers Welfare



Shri Bhupendra Patel
Minister of Dairy Development



Mrs. Rekha Devi Sharma, Producer Member, bagged the Dairy Women of the Year Award from Sh. Amit Shah Hon'ble Union Minister for Home & Cooperation

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 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 Female Cattle Population has increased by 18.6 per cent over the previous census (2007) to 10.0 million numbers. The buffalo population has also increased by 17 per cent. The state is the 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 (NDDB) 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 a member 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 the same of 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.

Award and Recognition

Mrs Rekha Devi Sharma, one of the Paayas milk producer members from Barna village in Jaipur bagged the prestigious Dairy Woman of the Year Award (North Zone) during 49th Dairy Industry Conference (DIC). The said award was presented to her by Shri Amit Shah, Honourable Union Minister for Home and Cooperation, in presence of Chief Minister - Gujarat, Chairman - IDA, Chairman - NDDB and several other distinguished luminaries.

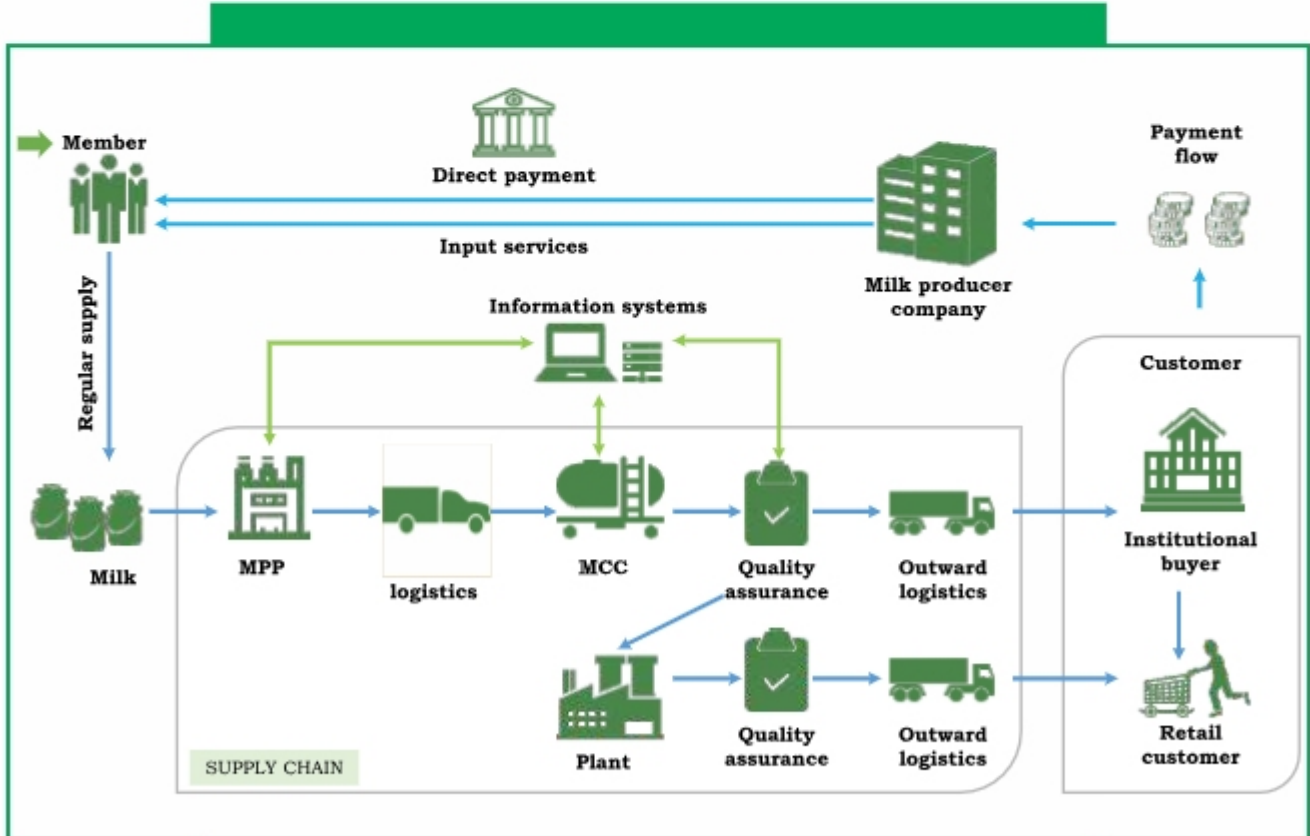


Dairy Value Chain

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 3328 village based milk pooling points having over 95000 farmer member families scattered in 8 districts of Rajasthan - Jaipur, Ajmer, Tonk, Dausa, Sikar, Pali, Bhilwara and Nagour 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 6.50 lakh kg

milk per day, with an impressive April to September & October to March ratio of 1: 1.5. 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 8 percent despite the unfavorable circumstances. Payment of INR 1161 crore was made in farmer member's bank accounts which is an exciting 89 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.



पायस मिल्क प्रोड्यूसर कें. लि. जयपुर दुग्ध अवशीतन केन्द्र - आसीन्द दुग्ध संकलन केन्द्र - हताण MPP कोड नं.-120

सहायक का नाम :-
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Mo. - 8104143014

जयदेव गुर्जर
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MILK
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SALE



Producer Institution Building

To educate stake holders 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 95317 members in 2022-23 posting a sizable 11 percent growth. Out of the above, an overwhelming 38241 members (40 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.

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 has remained on quality and consistency, enabling the company create a place for itself in a fiercely competitive market in a relatively short term.

| 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, 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 & 15 kg matka pack |
| Butter Milk | Fermented Milk | 500ml |
| Spiced Butter Milk | Fermented Milk | 250 ml |
| Ghee | Clarified Milk Fat | 500 ml, 1 litre Ceka pack, 2 litre tin pack, 5 litre tin pack, 15 kg tin pack, 1 litre Ceka pack cow ghee, 1 litre jar packed cow ghee |
| Paneer | Coagulated product | 200 g |





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 39146 MT balanced cattle feed posting a healthy annual CAGR growth of 35 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 81 MT of the aforesaid products, registering an annual CAGR growth of 24 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 |





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 38 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 643 quintal good quality hybrid seeds - Lucern, Sorghum and Millet Seeds, was distributed posting a notable annual CAGR growth of 63 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.) | 502 |
| Village covered under demonstration (no.) | 578 |
| Producers seen demonstration (no.) | 7464 |
| Producers adopted the technology (no.) | 742 |
| 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.) | 4085 |
| AI done (Lakh.) | 21.9 |
| 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 1500 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.



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.





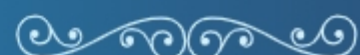
Capacity Building

Following is the list of Training Programmes organised 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 |
| Orientation cum Refresher Training | Board of Directors | 31 |
| Exposure Visits | Board of Directors | 144 |
| Institution Building - Trainers' Training programme | IB Executives | 388 |
| 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 | 196 |
| Skill Development Programme | Office Assistants | 536 |
| Motivation Programme | Office Assistants | 275 |
| Team Building and Leadership Development | Office Assistants | 178 |
| Training Programme | QA Assistants | 90 |
| Training Programme | QA Chemists | 548 |
| Sub Total | | 263,620 |

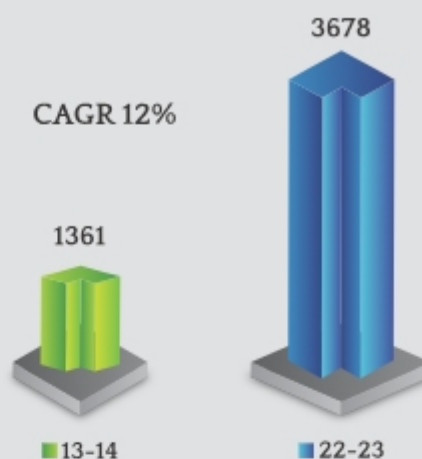
| Ration Balancing Programme | | |
|--|--------------------|----------------------------|
| Name of the Programme | Partakers | No. of participants |
| LRP Basic Training | LRPs | 1701 |
| LRP Refresher Training | LRPs | 802 |
| Animal Nutritionist & Technical Officer Basic Training (at NDDB) | ANs & TOs | 28 |
| IT Officer Training on Software (at NDDB) | IT Officers | 2 |
| Sub Total | | 2533 |
| Fodder Development Programme | | |
| Name of the Programme | Partakers | No. of participants |
| Training on Fodder Production and Conservation (at NDDB) | 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 NDDB) | 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 | 94603 |
| Training on Fire and Security | MCC incharge | 394 |
| Training on Health & Safety | Field team | 683 |
| Training on Stress Management | Office Assistants | 401 |
| Sales Training on improving productivity & effectiveness | Sales team | 133 |
| Training on Time Management | Assistants | 377 |
| Interpersonal Relations and Conflict Management | Sales & field team | 482 |
| Sub Total | | 113050 |
| Grand Total | | 381,802 |



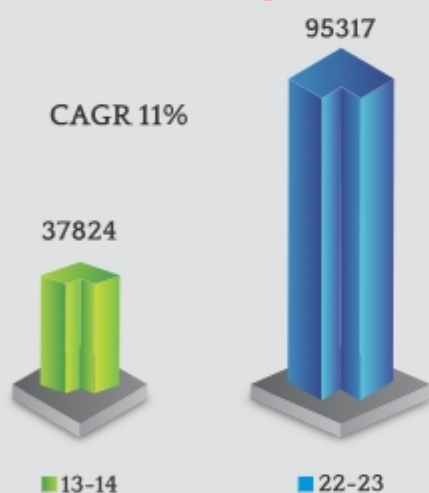


PHYSICAL INDICATORS

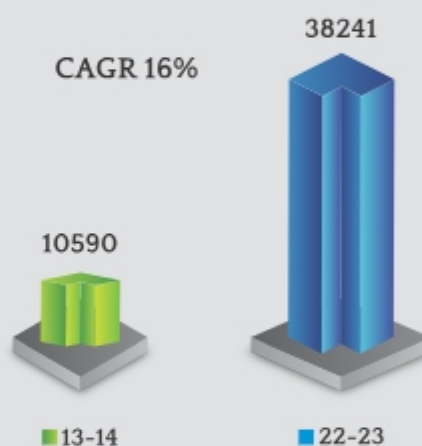
MPPs (No.)



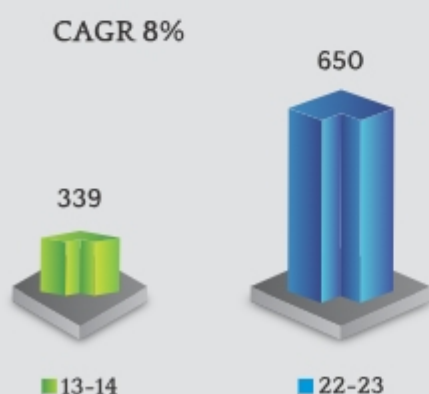
Membership (No.)



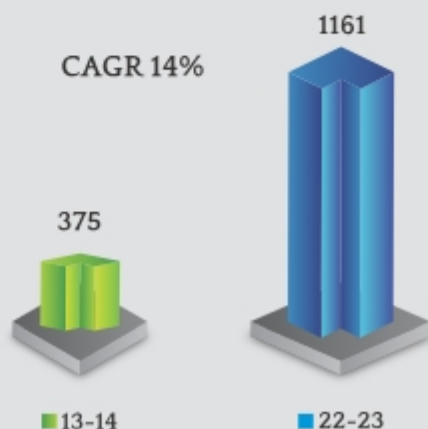
Women Membership (No.)



Procurement (TKPD)



Producer Milk Payment (Rs. Crore)

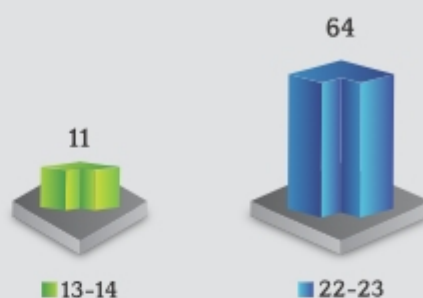




PHYSICAL INDICATORS

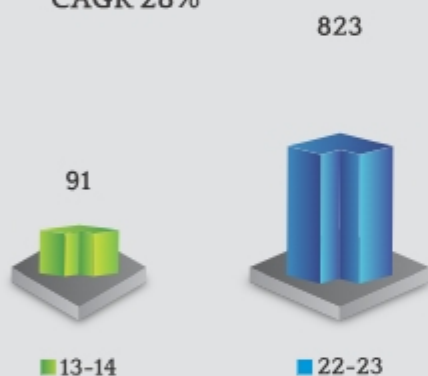
Poly Pack Milk Sale (TLPD)

CAGR 22%



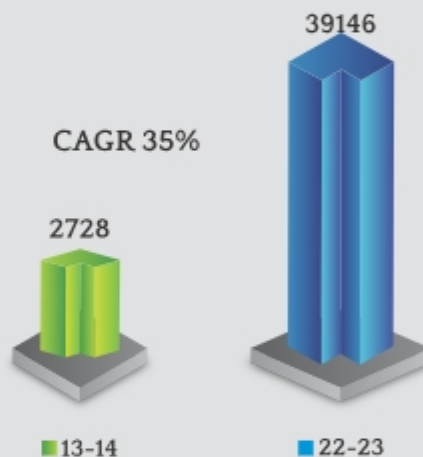
Ghee Sale (MT)

CAGR 28%



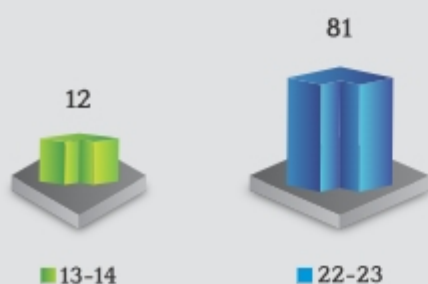
Cattle Feed Distribution (MT)

CAGR 35%



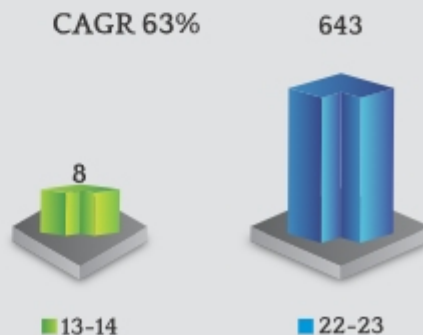
Mineral Mixture and Ration Balancer Distribution (MT)

CAGR 24%



Fodder Seed Distribution (QTL)

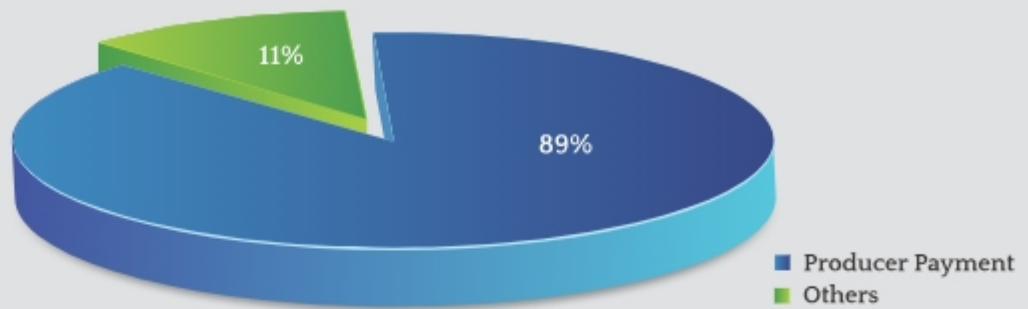
CAGR 63%



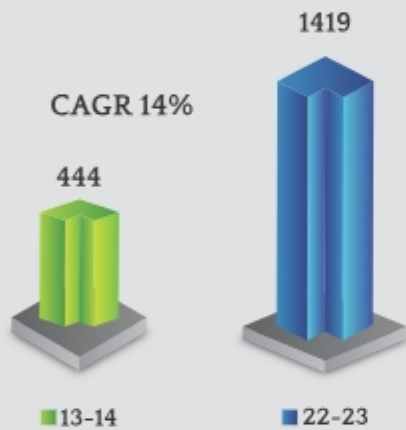


FINANCIAL INDICATORS

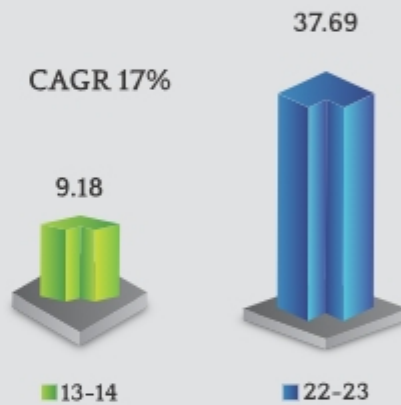
Producer Share of a Consumer Rupee (2022-23)



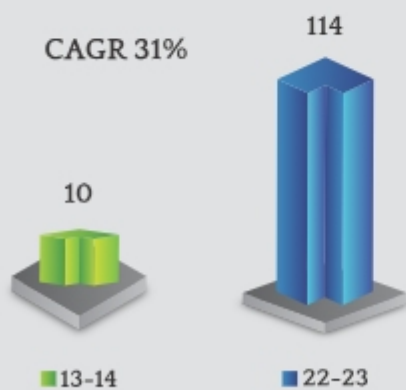
Turnover (Rs. Crore)



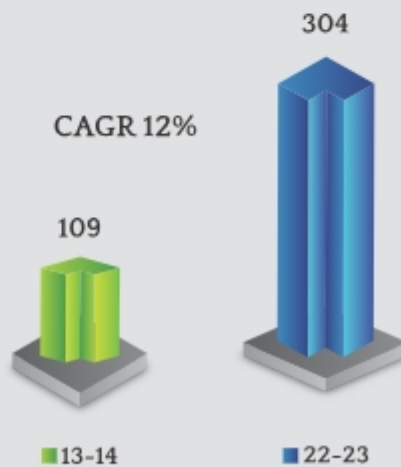
Share Capital (Rs. Crore)



Networth (Rs. Crore)



Book Value Per Share (Rs.)



Key Events (2022-23)

Visit of Shri Manish Bandlish, MD, Mother Dairy



Paayas Board visit to Maahi Milk Producer Company Limited, Rajkot



Key Events (2022-23)

Mass Meeting of members



Members - BFIL Team interaction for animal health services



Key Events (2022-23)

Hon'ble Prime Minister visits Paayas Stall
at IDF World Dairy Summit-2022, Noida



PM Narendra Modi inspects the Exhibition at the
WORLD DAIRY SUMMIT 2022

Paayas Premium Cow Ghee Launching



Key Events (2022-23)

Training Programme of Paayas Board of Directors
at NDS, New Delhi



Key Events (2022-23)

Board Exposure Visit
at 49th Dairy Industry Conference, Gandhinagar



Key Events (2022-23)

Board Exposure Visit at Sabarmati Ashram Gaushala,
Bidaj, Gujarat



PAAYAS MILK PRODUCER COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting 11th Annual Report on the business and operations of the Company, together with the Audited Accounts for financial year ended March 31, 2023.

The Company was incorporated on May 19, 2012 as a Producer Company under the provisions of Part IXA of the Companies Act, 1956 (now 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, 2023 (Rs. in Crore) | For the year ended March 31, 2022 (Rs. in Crore) |
|-------------------------------|--|--|
| Total Revenue | 1419.95 | 1181.97 |
| Total Cost including expenses | 1423.64 | 1171.80 |
| Profit/(Loss) before tax | (3.69) | 10.17 |
| Provision for Taxation | (0.24) | 2.70 |
| Profit/(Loss) after tax | (3.45) | 7.47 |
| Transfer to General Reserves | 0 | 4.96 |

During the year under review, the total revenue from the operations increased to Rs. 1419.95 Crore, as against Rs. 1181.97 Crore in previous year registering a growth of 20 percent. The total cost including expenses remained Rs. 1423.64 Crore as against Rs. 1171.80 Crore in previous year.

The Company has incurred a loss after tax of Rs. 3.45 Crores as against the Profit after tax of Rs. 7.47 Crores in previous year.

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. 2.64 Crore. The limited return (dividend), subject to the approval of Members at the ensuing 12th Annual General Meeting, will be paid to those members, whose names appear in the Register of Members of the Company as on March 31, 2023.

Transfer to General Reserve

Due to losses, the Company did not transfer any amount to reserve for the year ended on 31st March, 2023.

Operations

The Company is harvesting raw milk from 3,678 Milk Pooling Points located in 3328 villages. During the year under review, the Company procured 23.02 Crore liter as against 23.10 Crore liter raw milk in F.Y 2021-22. Out of this, 4.14 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. During the year under review, total sales of Poly Pack Milk and Ghee remained 234 Lac Liter and 823 MT respectively as against 189 Lac liter and 911 MT respectively in F.Y 2021-22. 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

Mrs Rekha Devi Sharma, one of the Paayas milk producer members from Barna village in Jaipur bagged the prestigious Dairy Woman of the Year Award (North Zone) during 49th Dairy Industry Conference (DIC). The said award was presented to her by Shri Amit Shah, Honourable Union Minister for Home and Cooperation, in presence of Chief Minister – Gujarat, Chairman – IDA, Chairman – NDDDB and several other distinguished luminaries.

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 | SKU |
|------------------------|----------------------|
| Double Toned Milk | 200ml, 500ml, 1l, 6l |
| Toned Milk | 200ml, 500ml, 1l, 6l |
| Full Cream Milk | 500ml, 1l, 6l |
| Homogenized Toned Milk | 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, 180 gm, 1 kg & 5 Kg in Polypack & 5 Kg & 15 kg in Plastic Pack are being sold in both rural & urban market.

Buttermilk

Paayas Butter Milk in 500 ml pack & Spice Butter Milk in 250 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, 15 kg Tin and 1 litre cow ghee in ceka pack & 1 liter premium cow Ghee in glass bottle through rural and urban marketing channels.

Paneer

Paayas Paneer in 200 gm pack is being sold in both rural and urban market.

Product Development

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

Cattle Feed

The Company sold about 39146 MT Cattle Feed during 2022-23 Mudrika in two variants - Mudrika Plain and Mudrika Gold (BIS Type II). As compared to previous year the growth in sale is about 4.2 percent.

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 57MT mineral mixture and 24 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 and Quality Fodder Seed Supply are being undertaken.

The Company also continued distributing quality fodder seeds including Lucerne, Oat, Sorghum and Bajra etc. at affordable rates among milk producers. A total of 643 quintal fodder seed was distributed during the year under review.

Model Dairy Farm

The Company is providing assistance to its members for developing Model Dairy Farms. At present, Paayas developed total 15 MDF which 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.

Coverage Details

| Sl. No. | Particulars | Numbers |
|---------|-----------------|---------|
| 1 | No. of Villages | 46 |
| 2 | No. of Farmers | 262 |
| 3 | No. of Animals | 521 |

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.

The company has been running AI program from out of 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.

Apart from AI Company has started pilot model for animal health services with the support of BFIL in last quarter of this financial year.

During the year under review, the Company accomplished 3,37,956 AI through 350 MAIT's.

Producer Institution Building (PIB)

Institution building is the backbone of Paayas which focuses primarily on awareness generation, educating and sensitizing members about their roles, apart from spreading information about various activities and schemes of the Company. To attain this, various training programs are conducted.

In the past couple of years due to pandemic, certain restrictions were imposed on the field movement which limited the field activities. After the pandemic, normalcy stands restored. Meeting with members was conducted keeping in view the Paayas Core Design Principles.

'Samvaad' which is a flagship program of Paayas started across operating areas where 17,606 members were educated with 35% of women participants.

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, 2,918 informal Village Contact Groups (VCGs) were created at village level which comprise of 10,453 members and 228 informal Member Relation Groups (MRGs) were created at milk route level which comprise of 2918 members.

With a view to induct and brief new producer directors, orientation programme was conducted for them. Exposure visit to Maahi MPC, Rajkot was undertaken to explore and understand the functioning. Board of Directors also went to attend as part of their exposure visit to World Dairy Summit, Noida organised by International Dairy Federation and 49th Dairy Industry Conference, Gandhinagar organised by Indian Dairy Association.

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, autoclave, 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

The entire operation is technology based. SAP ERP (Enterprise Resource Planning) is implemented to ensure end-to-end transparency in the entire business.

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

In addition, the company went for the following technology based interventions.

- Paayas Sadaysa Mitra Mobile App - It enables transparency and passbook feature for members to access their patronage data at any point of time.
- General Packet Radio Service (GPRS) - It enables Milk Data transfer from MPP to Central Server in Real Time.
- Call Centre for field engineering services - A Call Centre to support Field Engineering Services to manage equipment breakdown at MPP level in a systematic manner.
- Instant SMS/Mobile notification to members / sahayaks.
- Toll free number for members to raise complaints / grievances.
- Tele booking software for market demand generation.
- INAPH software for artificial insemination programme.
- Field force is also empowered with Mobile tablets to enable them discharge their responsibility more effectively.

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.

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, 2023. At the beginning of FY 2022-23, subscribed and paid up share capital of the Company is Rs. 35,79,94,400/- comprises of 3579944 shares. During the year under review, the Company has cancelled 339419 equity shares and reissued 528679 equity shares to the members.

As at 31st March 2023, the Company has total Paid up share capital of Rs. 37,69,20,400/- comprises of 3769204 shares excluding 526121 cancelled shares having aggregate value of Rs. 5,26,12,100/- which will be reissued.

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, 2023, 95317 members were appearing on the register of members of the Company. During the year under review, membership of 11,715 members have been cancelled/ surrendered due to non-fulfilment of membership criteria.

After 31 March 2023, the Company has enrolled 1849 new members out of which 2 members surrender their membership and the membership of 1003 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 96161 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 95317 members, 27433 members have voting rights on all the resolutions as set in Annual General Meeting notice and 7424 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. 2022-2023, consequently they are not entitled to vote on the class based election of Directors. Further, 59457 members, who did not fulfil aforesaid basic condition for voting, lost their voting right at ensuing Annual General Meeting. Remaining 1003 members whose membership have been cancelled post 31.03.2023, they are not entitled to attend ensuing AGM.

1849 new members, who were admitted as members of the Company post March 31, 2023 and out of that two members surrender their membership will not be entitled to dividend for FY 2022-2023 as well as voting right at 12th 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 2014-15 amounting to Rs 18,32,200/- 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, Cancelled Share money/ additional share application money not meeting membership criteria amounting to Rs. 29,83,012/- for the financial year 2015-16 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, six 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 |
|-------------------|-----------------------|----------------|--------------------------|
| 58th | 25.05.2022 | 14 | 14 |
| 59th | 25.07.2022 | 15 | 15 |
| 60th | 27.09.2022 | 15 | 13 |
| 61st | 25.11.2022 | 15 | 14 |
| 62nd | 25.01.2023 | 15 | 15 |
| 63rd | 29.03.2023 | 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 Stakeholders Relationship Committee comprises of following Directors:

- a) Smt. Mamta Choudhary, Chairperson;
- b) Shri Narayan Lal Gurjar, Member;
- c) Shri Ratan Kumar Singh, Member;

The Committee was re-constituted on 27th September, 2022. The committee met two times, details of which are mentioned below:

| Stakeholders Relationship Committee Meeting No. | Date of Committee Meeting | Total No. of members | No. of members Present |
|---|---------------------------|----------------------|------------------------|
| 2nd | 25th December, 2022 | 3 | 3 |
| 3rd | 29th March, 2023 | 3 | 3 |

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

The provisions of section 178(1) of the Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

Directors

Smt. Mamta Choudhary, Shri Jai Singh Rathore and Shri Sushil Kumar Vaishnav retired as a Director with effect from September 19, 2022. 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 378ZA and other relevant articles of the Articles of Association of the Company and applicable provisions, of the Companies Act, 2013, Smt. Chanda Yadav, Shri Jagdish Prasad Inaniya and Shri Hanuman Choudhary were appointed as Directors of the Company with effect from September 19, 2022.

Prof. Madhavi Mehta, was appointed as an Expert Director of the Company with effect from May 25, 2022 for a period of one year.

Shri Sriram Singh, resigned as an Expert Director with effect from January 31, 2023.

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 2022-23, it has been found that, the patronage contribution of Class-A, Class-B and Class-C of members were respectively 42%, 29% and 29%. 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 5 Directors for Class-A, 3 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 5 Directors representing Class-A therefore, there is no retirement/election in category of Class-A directors at the 12th AGM.

Class-B Directors:-

At present the Board has 3 Directors representing Class-B. Pursuant to Article 9.6 of the Articles of Association of the Company, Shri Ladu Lal, Director of the Company "representing Class- B" 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.

The statement containing name and qualifications of the aforesaid Director seeking appointment/re-appointment is annexed to the Notice convening 12th AGM of the Company.

Class-C Directors:-

At present the Board has 3 directors representing Class-C. Pursuant to Article 9.6 of the Articles of Association of the Company, Shri Sed Mal Sharma, Director of the Company, will retire at the ensuing AGM of the Company on completion of his second term. Based on the recommendation of Nominating Committee, the Board recommends the appointment of Shri Mukesh Kumar Gadwal "representing Class-C" in place of Shri Sed Mal Sharma.

Pursuant to Article 9.6 of the Articles of Association of the Company, Smt. Geeta Devi Gurjar, 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 Smt. Anita Choudhary "representing Class-C" in place of Smt. Geeta Devi Gurjar.

The statement containing name and qualifications of the aforesaid Directors seeking appointment is annexed to the Notice convening 12th AGM of the Company.

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 deposits during FY 2022-2023.

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. 17.65 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 Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration No.:012754N / N500016) Statutory Auditors retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment under the provision of Section 378ZA(4)(e) of the Companies Act, 2013. The Company has received a certificate from the auditors to the effect that their reappointment if made, would be in accordance with the provisions of section 139 of the Companies Act, 2013.

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 2023 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.
- e) The Company is not required to appoint independent directors within the provisions of Section 149 of Companies Act, 2013.

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.

For and on Behalf of the Board of Directors

Sd/-

Mamta Choudhary

Chairperson

DIN-08842062

Place: Jaipur

Date : 10.08.2023

Annexure-I

Annual Report on Corporate Social Responsibility (CSR) Activities for FY 2022-23 [Pursuant to section 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

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 during the year | 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(s) where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

<https://www.paayasmilk.com/csr-policy>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: Rs. 8,82,45,957/-
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: Rs. 17,64,920/-
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 17,64,920/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Rs. 17,64,920/-

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

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

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

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act. | (4) Local area (Yes/No). | (5) Location of the project. | | (6) Amount spent for the project (in Rs.). | (7) Mode of Implementation Direct (Yes/No). | (8) 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. 17,64,920/- | Yes | NA | NA |
| Total | | | | | | Rs. 17,64,920/- | | | |

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 17,64,920/-

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. | Amount Unspent (in Rs.) | | | | |
|--|---|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135 (in Rs.) | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| Rs. 17,64,920/- | NA | NA | NA | NA | NA |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the Company as per sub-section (5) of section 135 | Rs. 17,64,920/- |
| (ii) | Total amount spent for the Financial Year | Rs. 17,64,920/- |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | Nil |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|----------------|-----------------------------|---|---|---|--|--|---|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any | | Amount remaining to be spent in Succeeding Financial Years (in Rs.) | Deficiency, if any |
| | | | | Amount (Rs in Lakhs) | Date of transfer | | | |
| Not Applicable | | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

If Yes, enter the number of Capital assets created/acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin Code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/Authority/beneficiary of the registered owner | | |
|----------------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| Not Applicable | | | | | | | |

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not applicable

Sd/-

Ratan Kumar Singh
Director & Chief Executive
DIN: 00142430

Sd/-

Mamta Choudhary
Chairperson & Director
DIN: 08842062

Place: Jaipur
Date: 10.08.2023

Independent Auditors' Report To the Members of Paayas Milk Producer Company Limited Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Paayas Milk Producer Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making 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.

6. 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' responsibilities for the audit of the financial statements

7. 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 auditors' 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.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

9. 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.

Other matter

10. The financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated July 25, 2022, expressed an unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

11. As required by 'the Companies (Auditor's Report) Order, 2020' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure Ba statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. 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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' 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 30 to the financial statements.
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever

by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 36(b)(ix) to the financial statements);

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 36(b)(ix) to the financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.
14. As required by Section 378ZG of the Act, we give in Annexure C, a statement on the matters specified in that Section.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Sandeep Chaddha

Partner

Membership Number: 096137

UDIN: 23096137BGZJMG9900

Place: Gurugram

Date: July 14, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the Members of Paayas Milk Producer Company Limited on the Financial Statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Paayas Milk Producer Company Limited ("the Company") as of March 31, 2023 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

2. 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to

financial statements 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 with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by ICAI.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Sandeep Chaddha

Partner

Membership Number: 096137

UDIN: 23096137BGZJMG9900

Place: Gurugram

Date: July 14, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the Members of Paayas Milk Producer Company Limited on the Financial Statements as of and for the year ended March 31, 2023

- i. (a) (A)The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
(B)The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer note 12 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has chosen cost model for its property, plant and equipment and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016)(formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) Based on the information and explanations furnished to us, during the year, the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has not filed quarterly returns or statements with such banks since the quarterly returns are not required as per the sanction letter/lender's agreement and accordingly, the question of our commenting on whether these returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act.

Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried

out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
 - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard 18 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not,

- however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of INR 91.53 Lakhs in the financial year and had not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer note 36(a) to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.
- xx. As at Balance Sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Sandeep Chaddha

Partner

Membership Number: 096137

UDIN:23096137BGZJMG9900

Place: Gurugram

Date: July 14, 2023

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the Members of Paayas Milk Producer Company Limited on the Financial Statements as of and for the year ended March 31, 2023

- a) The amount of debts due from sale of goods and services are as disclosed in note 17 to the financial statements. According to the information and explanations given to us, no debts are considered as doubtful of recovery.
- b) According to the information and explanations given to us, the Company does not have cash on hand and does not hold any investment securities as at March 31, 2023.
- c) The details of assets and liabilities as at March 31, 2023 are as per the financial statements of the Company as at and for the year ended March 31, 2023.
- d) In respect of the applicable provisions of Chapter XXIA of the Act, the Company has carried out transactions in relation to benefits to members, transferability of shares and attendant rights, general and other reserves during the year. In our opinion and according to the information and explanations given to us, we have not noticed any transaction carried out by the Company in relation to the above, which appears to be contrary to the applicable provisions of Chapter XXIA of the Act.
- e) According to the information and explanations given to us, the Company has not granted any loan to its directors.
- f) According to the information and explanations given to us, the Company has not given any donations or subscriptions during the year.
- g) According to the information and explanations given to us, there are no other matters.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Sandeep Chaddha

Partner

Membership Number: 096137

UDIN: 23096137BGZJMG9900

Place: Gurugram

Date: July 14, 2023



PAAYAS MILK PRODUCER COMPANY LIMITED
CIN - U01211RJ2012PTC038955
BALANCE SHEET AS AT MARCH 31, 2023
(All amounts are in INR Lakhs, unless otherwise stated)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|--|------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 3769.20 | 3579.94 |
| Reserves and surplus | 4 | 7704.71 | 8069.87 |
| | | 11473.91 | 11649.81 |
| Share application money pending allotment | 5 | 66.94 | 48.20 |
| Deferred grant | 6 | 353.58 | 467.89 |
| Non-current liabilities | | | |
| Other long-term liabilities | 7 | 1249.47 | 1086.23 |
| | | 1249.47 | 1086.23 |
| Current liabilities | | | |
| Short-term borrowings | 8 | 6965.28 | 6976.42 |
| Trade payables | 9 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 825.39 | 17.50 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 5598.77 | 4718.09 |
| Other current liabilities | 10 | 440.39 | 470.24 |
| Short-term provisions | 11 | 53.08 | 12.39 |
| | | 13882.91 | 12194.64 |
| TOTAL | | 27026.81 | 25446.77 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment and Intangible assets | | | |
| - Property, plant and equipment | 12 | 1012.30 | 1264.40 |
| - Intangible assets | 12 | - | - |
| Deferred tax assets (net) | 13 | 53.42 | 37.23 |
| Long-term loans and advances | 14 | 391.55 | 178.72 |
| Other non-current assets | 15 | 2636.59 | 2150.42 |
| | | 4093.86 | 3630.77 |
| Current assets | | | |
| Inventories | 16 | 1196.39 | 751.65 |
| Trade receivables | 17 | 12042.84 | 7947.30 |
| Cash and bank balances | 18 | 9241.46 | 12837.86 |
| Short-term loans and advances | 19 | 188.08 | 102.82 |
| Other current assets | 20 | 264.18 | 176.37 |
| | | 22932.95 | 21816.00 |
| TOTAL | | 27026.81 | 25446.77 |

The accompanying notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors
PAAYAS MILK PRODUCER COMPANY LIMITED

Sd/-
Sandeep Chaddha
Partner
Membership Number: 096137
Place: Gurugram
Date: July 14, 2023

Sd/-
Geeta Devi Gurjar
Director
DIN: 07573959
Place: Jaipur
Date: July 14, 2023

Sd/-
Narayan Lal Gurjar
Director
DIN: 08075740
Place: Jaipur
Date: July 14, 2023

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN: 00142430
Place: Jaipur
Date: July 14, 2023

Sd/-
Anup Gupta
Company Secretary
Membership Number: FCS 5302
Place: Jaipur
Date: July 14, 2023

Sd/-
Kapil Pachori
Deputy General Manager
(Finance)
Place: Jaipur
Date: July 14, 2023



PAAYAS MILK PRODUCER COMPANY LIMITED

CIN - U01211RJ2012PTC038955

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

| Particulars | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from operations | 21 | 141249.78 | 117566.00 |
| Other income | 22 | 746.15 | 631.68 |
| Total income | | 141995.93 | 118197.68 |
| Expenses | | | |
| Purchases of stock-in-trade | 23 | 133462.72 | 107932.12 |
| Changes in inventories of finished goods | 24 | (444.74) | 281.73 |
| Employee benefits expense | 25 | 1329.66 | 1251.94 |
| Finance costs | 26 | 345.06 | 305.61 |
| Depreciation and amortisation expense | 27 | 278.38 | 261.07 |
| Other expenses | 28 | 7394.76 | 7148.35 |
| Total expenses | | 142365.84 | 117180.82 |
| PROFIT/(LOSS) BEFORE TAX | | (369.91) | 1016.86 |
| Tax expense | | | |
| Current tax | | - | 290.00 |
| Deferred tax | | (16.19) | (16.47) |
| Tax pertaining to earlier years | | (8.35) | (3.42) |
| | | (24.54) | 270.11 |
| PROFIT/(LOSS) FOR THE YEAR | | (345.37) | 746.75 |
| Earnings/(Loss) per Equity share [(Nominal value per share: INR 100) (March 31, 2022: INR 100)] | | | |
| Basic | 29 | (9.61) | 18.84 |
| Diluted | | (9.61) | 18.84 |

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors
PAAYAS MILK PRODUCER COMPANY LIMITED

Sd/-
Sandeep Chaddha
Partner
Membership Number: 096137
Place: Gurugram
Date: July 14, 2023

Sd/-
Geeta Devi Gurjar
Director
DIN: 07573959
Place: Jaipur
Date: July 14, 2023

Sd/-
Narayan Lal Gurjar
Director
DIN: 08075740
Place: Jaipur
Date: July 14, 2023

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN: 00142430
Place: Jaipur
Date: July 14, 2023

Sd/-
Anup Gupta
Company Secretary
Membership Number: FCS 5302
Place: Jaipur
Date: July 14, 2023

Sd/-
Kapil Pachori
Deputy General Manager
(Finance)
Place: Jaipur
Date: July 14, 2023



PAAYAS MILK PRODUCER COMPANY LIMITED

CIN - U01211RJ2012PTC038955

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

| Particulars | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|----------------|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | | |
| Loss before tax | | (369.91) | 1016.86 |
| Adjustments for: | | | |
| Depreciation and amortisation expense | 27 | 278.38 | 261.07 |
| Interest income | 22 | (600.04) | (520.44) |
| Finance costs | 26 | 345.06 | 305.61 |
| Profit on sale of property, plant and equipment (net) | | (56.44) | (25.34) |
| Operating loss before working capital changes | | (402.95) | 1037.76 |
| Changes in working capital: | | | |
| (Increase)/Decrease in long-term loans and advances | | 148 | (3.26) |
| (Increase)/Decrease in other non-current assets | | 0.07 | (1.13) |
| (Increase)/Decrease in short-term loans and advances | | (85.26) | 87.21 |
| (Increase)/Decrease in inventories | | (444.74) | 281.73 |
| (Increase)/Decrease in trade receivables | | (4095.54) | 2041.26 |
| Increase/(Decrease) in other long-term liabilities | | 163.24 | (62.88) |
| Increase/(Decrease) in short-term provisions | | 40.69 | (78.58) |
| Increase/(Decrease) in trade payables | | 1688.57 | (478.02) |
| Increase/(Decrease) in other current liabilities | | (24.17) | (0.73) |
| Cash (used in)/generated from operations | | (3158.61) | 2823.36 |
| Taxes paid (net of refunds) | | (205.96) | (323.46) |
| Net cash (used in)/generated from operating activities | (A) | (3364.57) | 2499.9 |
| B. Cash flow from investing activities | | | |
| Payments for purchase of property, plant and equipment | | (141.00) | (63.08) |
| Interest received | | 512.23 | 726.29 |
| Proceeds from other bank balances | | 6049.53 | 7063.08 |
| Investment in other bank balances | | (6570.54) | (7669.92) |
| Proceeds from sale of property, plant and equipment | | 56.86 | 27.37 |
| Net cash (used in)/generated from investing activities | (B) | (92.92) | 83.74 |
| C. Cash flow from financing activities | | | |
| Share application money received during the year (pending allotment) | | 66.94 | 48.20 |
| Proceeds from issue of Equity shares (including security premium) (net) | | 371.87 | (402.71) |
| Proceeds from short-term borrowings | | 27900.60 | 28961.85 |
| Repayment of short-term borrowings | | (27911.74) | (30853.56) |
| Dividends paid | | (250.60) | (281.37) |
| Finance costs paid | | (332.95) | (347.22) |
| Net cash used in financing activities | (C) | (155.88) | (2874.81) |
| Net decrease in cash and cash equivalents | (A+B+C) | (3613.37) | (291.17) |
| Cash and cash equivalents as at the beginning of the year | | 6852.47 | 7143.64 |
| Cash and cash equivalents as at the end of the year | | 3239.10 | 6852.47 |
| Cash and cash equivalents comprises of: | 18 | | |
| Balances with banks | | | |
| - In current accounts | | 530.43 | 3436.25 |
| - Demand deposits (less than 3 months maturity) | | 2708.67 | 3416.22 |
| | | 3239.10 | 6852.47 |

Notes:

i) The Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 - Cash Flow Statements.

ii) Figures in bracket indicates cash outflows.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Sandeep Chaddha

Partner

Membership Number: 096137

Place: Gurugram

Date: July 14, 2023

For and on behalf of the Board of Directors
PAAYAS MILK PRODUCER COMPANY LIMITED

Sd/-

Geeta Devi Gurjar

Director

DIN: 07573959

Place: Jaipur

Date: July 14, 2023

Sd/-

Narayan Lal Gurjar

Director

DIN: 08075740

Place: Jaipur

Date: July 14, 2023

Sd/-

Ratan Kumar Singh

Director & Chief Executive

DIN: 00142430

Place: Jaipur

Date: July 14, 2023

Sd/-

Anup Gupta

Company Secretary

Membership Number: FCS 5302

Place: Jaipur

Date: July 14, 2023

Sd/-

Kapil Pachori

Deputy General Manager

(Finance)

Place: Jaipur

Date: July 14, 2023



PAAYAS MILK PRODUCER COMPANY LIMITED

CIN - U01211RJ2012PTC038955

Notes to the financial statements for the year ended March 31, 2023

1 General information

Paayas Milk Producer Company Limited (the 'Company') was incorporated on May 19, 2012 under Part IXA of the Companies Act, 1956. The Company procures milk directly from milk producers through 'Milk Pooling Points' (MPP) in the 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 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of property, plant and equipment are recognised in the carrying amount of the item if the recognition criteria are met.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

2.3 Depreciation

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life of the assets, based on technical evaluation carried out by management's expert taking into account the nature of the assets, their estimated period of use and the operating conditions. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The estimates of useful life of property, plant and equipment are as follows:

| Asset | Useful life as per Schedule II (in years) | Management estimate of useful life (in years) |
|------------------------|---|---|
| Buildings | 30 | 10 |
| Plant and machinery | 15 | 10 |
| Milk cans | 15 | 4 |
| Office equipments | 5 | 5 |
| Furniture and fixtures | 10 | 10 |
| Computers | 3 | 3 |

2.4 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated

impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful life. A rebuttable presumption that the useful life of an intangible asset will not exceed 10 years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful life of intangible assets are as follows:

| Asset | Useful life as per Schedule II (in years) | Management estimate of useful life (in years) |
|-------------------|--|--|
| Computer software | NA | 3 |
| Trade mark | NA | 5 |

2.5 Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.6 Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit ("CGU") is made. Recoverable amount is higher of an asset's or CGU's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a CGU. An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs, related production overheads and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Revenue recognition

Sale of goods

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods and are recognised net of trade discounts, rebates and goods and services tax (GST).

Other income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.9 Employee benefits

Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Gratuity Plan is funded and is administered by the Life Insurance Corporation of India (LIC). The contributions made to the LIC are recognised as plan assets. The defined benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The accumulated compensated absences liability is funded and is administered by the Life Insurance Corporation of India (LIC). The contributions made to the LIC are recognised as plan assets. The accumulated compensated absences liability recognised in the Balance Sheet represents the present value of the accumulated compensated absences liability as reduced by the fair value of plan assets.

2.10 Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing taxation laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty (except where the Company has unabsorbed depreciation or carry forward losses under tax laws) that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set

off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.11 Provisions and Contingent liabilities

Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in these financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The actual results could differ from these estimates and the difference between actual results and estimates are recognised in the period in which the results are known/materialise.

2.13 Leases

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.14 Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of 3 months or less.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.16 Government grants

Grants from the government are recognised when there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants related to the purchase of property, plant and equipment are treated as deferred grant 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 recognised in the Statement of Profit and Loss by way of reduced depreciation charge.



PAAYAS MILK PRODUCER COMPANY LIMITED

CIN - U01211RJ2012PTC038955

Notes to the financial statements for the year ended March 31, 2023 (All amounts are in INR Lakhs, unless otherwise stated)

| 3 | Share capital | As at March 31, 2023 | As at March 31, 2022 |
|---|---|-------------------------|-------------------------|
| | Authorised | | |
| | 5,000,000 (March 31, 2022: 5,000,000) Equity shares of INR 100 each | 5000.00 | 5000.00 |
| | Issued | | |
| | 3,769,204 (March 31, 2022: 3,579,944) Equity shares of INR 100 each | 3769.20 | 3579.94 |
| | Subscribed and fully paid up | | |
| | 3,769,204 (March 31, 2022: 3,579,944) Equity shares of INR 100 each | 3769.20 | 3579.94 |

(i) Reconciliation of number of shares

| Particulars | As at March 31, 2023 | |
|--|-------------------------|----------------|
| | Number of shares | Amount |
| Equity shares: | | |
| Balance as at the beginning of the year | 3579944 | 3579.94 |
| Add: Shares issued during the year | 528679 | 528.68 |
| Less: Shares cancelled/surrendered during the year | (339419) | (339.42) |
| Balance as at the end of the year | 3769204 | 3769.20 |

| Particulars | As at March 31, 2022 | |
|--|-------------------------|----------------|
| | Number of shares | Amount |
| Equity shares: | | |
| Balance as at the beginning of the year | 4019649 | 4019.65 |
| Add: Shares issued during the year | 422909 | 422.91 |
| Less: Shares cancelled/surrendered during the year | (862614) | (862.61) |
| Balance as at the end of the year | 3579944 | 3579.94 |

(ii) Rights and restrictions attached to Equity shares

The Company has only one class of Equity shares having a par value of INR 100 per share. Each shareholder is eligible for one vote per share held. Members are entitled to received limited return and bonus in accordance with Articles of Association of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(iii) None of the members holds 5% or more of the share capital of the Company.

(iv) No shares has been issued for a consideration other than cash or by way of bonus shares during the year or 5 years immediately preceding the financial year.

(v) Details of promoters' shareholding

| S.No. | Name of promoters | As at March 31, 2023 | |
|-------|-------------------------|-------------------------|-------------------|
| | | Number of shares | % of total shares |
| 1 | Anil Kumar | 271 | 0.01 |
| 2 | Baldev Ram Berwal | 130 | 0.00 |
| 3 | Bhagchand | 86 | 0.00 |
| 4 | Bhagwan Sahay | 126 | 0.00 |
| 5 | Geeta Devi Gurjar | 39 | 0.00 |
| 6 | Jai Singh Rathore* | Not Applicable | Not Applicable |
| 7 | Jata Shankar Yadav | 34 | 0.00 |
| 8 | Ladu Lal | 65 | 0.00 |
| 9 | Mamta Choudhary* | Not Applicable | Not Applicable |
| 10 | Mamta Choudhary-II | 58 | 0.00 |
| 11 | Narayan Lal Gurjar | 203 | 0.01 |
| 12 | Sed Mal Sharma | 14 | 0.00 |
| 13 | Sunita Sharma | 219 | 0.01 |
| 14 | Sushil Kumar Vaishnav* | Not Applicable | Not Applicable |
| 15 | Vijay Singh Meena | 183 | 0.00 |
| 16 | Chanda Yadav** | 140 | 0.00 |
| 17 | Hanuman Choudhary** | 53 | 0.00 |
| 18 | Jagish Prasad Inaniya** | 90 | 0.00 |

* Ceases to be director of the Company w.e.f. September 19, 2022.

** Appointed as director of the Company w.e.f. September 19, 2022.



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| S.No. | Name of promoters | As at | |
|-------|-----------------------|------------------|-------------------|
| | | Number of shares | % of total shares |
| 1 | Anil Kumar | 271 | 0.01 |
| 2 | Baldev Ram Berwal | 130 | 0.00 |
| 3 | Bhagchand*** | 83 | 0.00 |
| 4 | Bhagwan Sahay | 124 | 0.00 |
| 5 | Geeta Devi Gurjar | 39 | 0.00 |
| 6 | Jai Singh Rathore | 33 | 0.00 |
| 7 | Jata Shankar Yadav | 34 | 0.00 |
| 8 | Ladu Lal | 65 | 0.00 |
| 9 | Mamta Choudhary | 162 | 0.00 |
| 10 | Mamta Choudhary-II | 56 | 0.00 |
| 11 | Narayan Lal Gurjar | 180 | 0.01 |
| 12 | Sed Mal Sharma | 14 | 0.00 |
| 13 | Sunita Sharma*** | 219 | 0.01 |
| 14 | Sushil Kumar Vaishnav | 117 | 0.00 |
| 15 | Vijay Singh Meena*** | 178 | 0.00 |

*** Appointed as director of the Company w.e.f. October 27, 2021.

| | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| 4 Reserves and surplus | | |
| a. General Reserve | | |
| Balance as at the beginning of the year | 6205.75 | 5709.60 |
| Add/(Less): Transferred from/(to) Surplus in Statement of Profit and Loss | (609.21) | 496.15 |
| Balance as at the end of the year | 5596.54 | 6205.75 |
| b. Securities Premium Account | | |
| Balance as at the beginning of the year | 1613.52 | 1487.75 |
| Add: Premium on shares issued during the year | 264.34 | 211.45 |
| Less: Premium paid on shares cancellation/surrender of shares during the year | (33.53) | (85.68) |
| Balance as at the end of the year | 1844.33 | 1613.52 |
| c. Surplus/(Deficit) in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 250.60 | 281.37 |
| Add: Profit/(Loss) for the year | (345.37) | 746.75 |
| Less: Final limited return (dividend) to members for the year ended March 31, 2022 (INR 7 per share) | (250.60) | (281.37) |
| Add/(Less): Transfer (to)/from General Reserve | 609.21 | (496.15) |
| Balance as at the end of the year | 263.84 | 250.60 |
| | 7704.71 | 8069.87 |
| 5 Share application money pending allotment | | |
| Share application money (Refer note 32) | 66.94 | 48.20 |
| | 66.94 | 48.20 |
| 6 Deferred grant | | |
| a. Balance as at the beginning of the year | 467.89 | 596.47 |
| b. Less: Depreciation on assets acquired from capital grant (Refer note 12 (a)) | (114.07) | (128.44) |
| c. Less: Loss on write-off of property, plant and equipment | (0.24) | (0.14) |
| | 353.58 | 467.89 |
| 7 Other long-term liabilities | | |
| a. Trade/security deposits received | 1249.47 | 1086.23 |
| | 1249.47 | 1086.23 |



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(All amounts are in INR Lakhs, unless otherwise stated)

| 8 | Short-term borrowings | Borrowing in currency | Maturity date | Terms of repayment | Coupon/Interest rate | As at March 31, 2023 | As at March 31, 2022 |
|-------------------|---------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Unsecured | | | | | | | |
| From Banks | | | | | | | |
| | Bill discounting facility | INR | Refer note (a) below | Refer note (a) below | Refer note (a) below | 6965.28 | 6976.42 |
| | | | | | | 6965.28 | 6976.42 |

Note:

(a) The Company has availed the bill discounting facility from the bank for the period upto 90 days from the date of invoice. The interest rate is Repo rate plus 0.20% (March 31, 2022: Repo rate plus 0.20%).

| 9. | Trade payables | As at March 31, 2023 | As at March 31, 2022 |
|----|---|----------------------|----------------------|
| | a. Total outstanding dues of micro enterprises and small enterprises (Refer note below) | 825.39 | 17.50 |
| | b. Total outstanding dues of creditors other than micro enterprises and small enterprises | 5598.77 | 4718.09 |
| | | 6424.16 | 4735.59 |

Note: Dues to micro enterprises and small enterprises

The details of dues to micro enterprises and small enterprises (MSME) as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and disclosures pursuant to the MSMED Act are as follows:

| | | |
|--|--------|-------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 825.39 | 17.50 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | - | - |
| Interest accrued and remaining unpaid at the end of the accounting year | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act | - | - |



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Notes to the financial statements for the year ended March 31, 2023

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9 Trade payables (Cont'd)

Trade payables ageing schedule

| Particulars | Outstanding for following periods from due date of payment as at March 31, 2023 | | | | | | Total |
|-----------------------------|---|---------|------------------|-----------|-----------|-------------------|---------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues | | | | | | | |
| Micro and small enterprises | - | - | 825.39 | - | - | - | 825.39 |
| Others | - | - | 5572.33 | 4.71 | 12.41 | 9.32 | 5598.77 |
| Disputed dues | | | | | | | |
| Micro and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| | - | - | 6397.72 | 4.71 | 12.41 | 9.32 | 6424.16 |

| Particulars | Outstanding for following periods from due date of payment as at March 31, 2022 | | | | | | Total |
|-----------------------------|---|---------|------------------|-----------|-----------|-------------------|---------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues | | | | | | | |
| Micro and small enterprises | - | - | 17.50 | - | - | - | 17.50 |
| Others | - | - | 4643.85 | 16.87 | 20.16 | 37.21 | 4718.09 |
| Disputed dues | | | | | | | |
| Micro and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| | - | - | 4661.35 | 16.87 | 20.16 | 37.21 | 4735.59 |

| 10 Other current liabilities | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Membership cancellation payable | 102.56 | 118.91 |
| b. Interest accrued but not due | 56.03 | 43.92 |
| c. Statutory dues payable | 49.52 | 55.74 |
| d. Unclaimed/unpaid dividends | 23.07 | 40.86 |
| e. Advances from customers | 32.55 | 45.80 |
| f. Security deposits received from customers | 86.70 | 76.91 |
| g. Employee benefits payable | 89.96 | 88.10 |
| | 440.39 | 470.24 |
| 11 Short-term provisions | | |
| Provision for employee benefits: | | |
| a. Provision for compensated absences | 53.08 | 12.39 |
| | 53.08 | 12.39 |

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Notes to the financial statements for the year ended March 31, 2023 (All amounts are in INR Lakhs, unless otherwise stated)



12 Property, plant and equipment and Intangible assets

| Particulars | Gross Block | | | Accumulated Depreciation/amortisation | | | | Net Block | |
|--------------------------------------|---------------------|---------------------------|--------------------------|---------------------------------------|---------------------|---------------------|--------------------------|----------------------|----------------------|
| | As at April 1, 2022 | Additions during the year | Disposal during the year | As at 31 March, 2023 | As at April 1, 2022 | Charge For the year | Disposal during the year | As at March 31, 2023 | As at March 31, 2022 |
| Property, plant and equipment | | | | | | | | | |
| Buildings | 37.50 | - | 2.04 | 35.46 | 24.93 | 3.03 | 2.03 | 9.53 | 12.57 |
| Plant and machinery | 4645.68 | 102.13 | 142.47 | 4605.34 | 3423.20 | 369.92 | 142.09 | 954.31 | 1222.48 |
| Furniture and fixtures | 230.33 | 1.56 | 0.85 | 231.04 | 222.46 | 4.92 | 0.85 | 4.51 | 7.87 |
| Office equipments | 67.73 | 1.26 | 0.46 | 68.53 | 62.35 | 1.86 | 0.43 | 4.75 | 5.38 |
| Computers | 836.14 | 35.82 | 8.19 | 863.77 | 820.04 | 12.72 | 8.19 | 39.20 | 16.10 |
| Intangible assets | | | | | | | | | |
| Computer software | 1360.25 | - | - | 1360.25 | 1360.25 | - | - | - | - |
| Trade mark | 0.90 | - | - | 0.90 | 0.90 | - | - | - | - |
| Total | 7178.53 | 140.77 | 154.01 | 7165.29 | 5914.13 | 392.45 | 153.59 | 1012.30 | 1264.40 |

| Particulars | Gross Block | | | Accumulated Depreciation/amortisation | | | | Net Block | |
|--------------------------------------|---------------------|---------------------------|--------------------------|---------------------------------------|---------------------|---------------------|--------------------------|----------------------|----------------------|
| | As at April 1, 2021 | Additions during the year | Disposal during the year | As at 31 March, 2022 | As at April 1, 2021 | Charge For the year | Disposal during the year | As at March 31, 2022 | As at March 31, 2021 |
| Property, plant and equipment | | | | | | | | | |
| Buildings | 37.50 | - | - | 37.50 | 21.91 | 3.02 | - | 12.57 | 15.59 |
| Plant and machinery | 4622.44 | 46.24 | 23.00 | 4645.68 | 3091.64 | 352.68 | 21.12 | 1222.48 | 1530.80 |
| Furniture and fixtures | 229.28 | 2.55 | 1.50 | 230.33 | 217.96 | 6.00 | 1.50 | 7.87 | 11.32 |
| Office equipments | 66.90 | 1.29 | 0.46 | 67.73 | 43.43 | 19.23 | 0.31 | 5.38 | 23.47 |
| Computers | 822.42 | 15.34 | 1.62 | 836.14 | 815.37 | 6.29 | 1.62 | 16.10 | 7.05 |
| Intangible assets | | | | | | | | | |
| Computer software | 1360.25 | - | - | 1360.25 | 1357.96 | 2.29 | - | - | 2.29 |
| Trade mark | 0.90 | - | - | 0.90 | 0.90 | - | - | - | - |
| Total | 7139.69 | 65.42 | 26.58 | 7178.53 | 5549.17 | 389.51 | 24.55 | 1264.40 | 1590.52 |

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12(a) The details of assets acquired out of capital grant and included in the note 12 are given below:

| Particulars | Gross Block | | | | Accumulated Depreciation/amortisation | | | | Net Block | |
|--------------------------------------|---------------------|---------------------------|--------------------------|----------------------|---------------------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2022 | Additions during the year | Disposal during the year | As at 31 March, 2023 | As at April 1, 2022 | Charge For the year | Disposal during the year | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Property, plant and equipment | | | | | | | | | | |
| Buildings | 31.90 | - | - | 31.90 | 19.34 | 3.03 | - | 9.53 | 12.56 | |
| Plant and machinery | 1690.72 | - | 67.65 | 1623.07 | 1240.72 | 109.88 | 67.44 | 339.91 | 450.00 | |
| Furniture and fixtures | 192.54 | - | 0.85 | 191.69 | 189.62 | 1.16 | 0.85 | 1.76 | 2.92 | |
| Office equipments | 48.43 | - | 0.46 | 47.97 | 46.02 | - | 0.43 | 45.59 | 2.41 | |
| Computers | 725.43 | - | 2.84 | 722.59 | 725.43 | - | 2.84 | 722.59 | - | |
| Intangible assets | | | | | | | | | | |
| Computer software | 1302.33 | - | - | 1302.33 | 1302.33 | - | - | - | - | |
| Trade mark | - | - | - | - | - | - | - | - | - | |
| Total | 3991.35 | - | 71.80 | 3919.55 | 3523.46 | 114.07 | 71.56 | 3565.97 | 353.58 | 467.89 |

| Particulars | Gross Block | | | | Accumulated Depreciation/amortisation | | | | Net Block | |
|--------------------------------------|---------------------|---------------------------|--------------------------|----------------------|---------------------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2021 | Additions during the year | Disposal during the year | As at 31 March, 2022 | As at April 1, 2021 | Charge For the year | Disposal during the year | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 |
| Property, plant and equipment | | | | | | | | | | |
| Buildings | 31.90 | - | - | 31.90 | 16.31 | 3.03 | - | 19.34 | 15.59 | |
| Plant and machinery | 1690.89 | - | 0.17 | 1690.72 | 1131.01 | 109.89 | 0.18 | 1240.72 | 450.00 | 559.88 |
| Furniture and fixtures | 194.04 | - | 1.50 | 192.54 | 189.96 | 1.16 | 1.50 | 189.62 | 2.92 | 4.08 |
| Office equipments | 48.89 | - | 0.46 | 48.43 | 31.97 | 14.36 | 0.31 | 46.02 | 2.41 | 16.92 |
| Computers | 727.05 | - | 1.62 | 725.43 | 727.05 | - | 1.62 | 725.43 | - | - |
| Intangible assets | | | | | | | | | | |
| Computer software | 1302.33 | - | - | 1302.33 | 1302.33 | - | - | 1302.33 | - | - |
| Trade mark | - | - | - | - | - | - | - | - | - | - |
| Total | 3995.10 | - | 3.75 | 3991.35 | 3398.63 | 128.44 | 3.61 | 3523.46 | 467.89 | 596.47 |

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Notes to the financial statements for the year ended March 31, 2023

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| 13 | Deferred tax assets (net) | As at March 31, 2023 | As at March 31, 2022 |
|----|--|-------------------------|-------------------------|
| | a. Deferred tax liabilities | - | - |
| | b. Deferred tax assets | | |
| | Property, plant and equipment and Intangible assets | 53.42 | 37.23 |
| | Deferred tax assets (net) | 53.42 | 37.23 |
| | Note: | | |
| | In the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, the deferred tax asset on carried forward tax losses has not been recognised in accordance with Accounting Standard 22 - Accounting for Taxes on Income. | | |
| 14 | Long-term loans and advances (Unsecured, considered good) | | |
| | a. Prepaid expenses | 2.04 | 3.52 |
| | b. Advance income tax [Net of provision for income tax INR 2,378.32 (March 31, 2022: INR 2,668.32)] | 389.51 | 175.20 |
| | | 391.55 | 178.72 |
| 15 | Other non-current assets (Unsecured, considered good) | | |
| | a. Security deposits | 9.56 | 9.63 |
| | b. Other receivables | 1.13 | 1.13 |
| | c. Other bank balances | | |
| | Long-term deposits with banks with maturity period more than 12 months* | 2625.90 | 2139.66 |
| | | 2636.59 | 2150.42 |
| | * Held as lien by bank against overdraft facility, letter of credit and bank guarantees in favour of the Company INR 720.01 (March 31, 2022: INR 1,133.69). | | |
| 16 | Inventories | | |
| | a. Finished goods (includes in transit INR 489.30, March 31, 2022: INR 295.81) | 1196.39 | 751.65 |
| | | 1196.39 | 751.65 |
| 17 | Trade receivables | | |
| | a. Secured, considered good | 332.98 | 346.73 |
| | b. Unsecured, considered good | 11709.86 | 7600.57 |
| | | 12042.84 | 7947.3 |
| | Also refer note 8. | | |

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17 Trade receivables (Cont'd)

Trade receivables ageing schedule

| | Outstanding for following periods from due date of payment as at March 31, 2023 | | | | | | Total |
|-------------------------------------|---|--------------------|-----------------|-----------|-----------|-------------------|-----------------|
| | Not due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables | | | | | | | |
| Considered good | - | 12042.78 | 0.06 | - | - | - | 12042.84 |
| Considered doubtful | - | - | - | - | - | - | - |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - | - |
| | - | 12042.78 | 0.06 | - | - | - | 12042.84 |

| | Outstanding for following periods from due date of payment as at March 31, 2022 | | | | | | Total |
|-------------------------------------|---|--------------------|-----------------|-----------|-----------|-------------------|----------------|
| | Not due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables | | | | | | | |
| Considered good | - | 7947.30 | - | - | - | - | 7947.30 |
| Considered doubtful | - | - | - | - | - | - | - |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Considered doubtful | - | - | - | - | - | - | - |
| | - | 7947.30 | - | - | - | - | 7947.30 |

18 Cash and bank balances

a. Cash and cash equivalents

Bank balances

- In current accounts

- Demand deposits (less than 3 months maturity)*

| | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| | 530.43 | 3436.25 |
| | 2708.67 | 3416.22 |
| | 3239.10 | 6852.47 |

* Held as lien by bank against overdraft facility, letter of credit and bank guarantees in favour of the Company INR 1,481.05 (March 31, 2022: INR 1,479.87).

b. Other bank balances

Deposits with maturity more than 3 months but less than 12 months

Unpaid dividend account

| | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| | 5979.29 | 5944.53 |
| | 23.07 | 40.86 |
| | 6002.36 | 5985.39 |
| | 9241.46 | 12837.86 |

* Held as lien by bank against overdraft facility, letter of credit and bank guarantees in favour of the Company INR 1,367.84 (March 31, 2022: INR 833.33).



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(All amounts are in INR Lakhs, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|--|--|
| 19 Short-term loans and advances (Unsecured, considered good) | | |
| a. Advances to employees | 0.05 | 0.05 |
| b. Gratuity fund (Refer note 34) | 8.39 | 19.70 |
| c. Advances to vendors | 15.64 | 6.81 |
| d. Prepaid expenses | 119.52 | 48.44 |
| e. Balances with Government Authorities | 44.48 | 27.82 |
| | <u>188.08</u> | <u>102.82</u> |
| 20 Other current assets (Unsecured, considered good) | | |
| a. Interest accrued on deposits with banks | 264.18 | 176.37 |
| | <u>264.18</u> | <u>176.37</u> |
| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| 21 Revenue from operations | | |
| Sale of products | | |
| - Finished goods (Refer note (ii) below) | 158231.55 | 129410.77 |
| Less: Sale to third party (milk processor) for re-purchase (Refer note (i) below) | 16981.77 | 11844.77 |
| | <u>141249.78</u> | <u>117566.00</u> |
| Notes: | | |
| (i) This represents sales made to third party for processing and packaging of milk and milk products which is re-purchased from them for sale to customers. | | |
| (ii) Details of sales: | | |
| a. Raw Milk | 114931.60 | 96042.56 |
| b. Polypack Milk | 10838.04 | 7859.82 |
| c. Other Milk Products | 1002.82 | 1217.96 |
| d. Ghee | 4052.37 | 3497.50 |
| e. Cattle Feed | 10215.60 | 8777.22 |
| f. Animal Semen | 209.35 | 170.94 |
| Total | <u>141249.78</u> | <u>117566.00</u> |

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| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--------------------------------------|--------------------------------------|
| 22 Other income | | |
| Interest income | | |
| - On bank deposits | 590.97 | 520.44 |
| - On income tax refund | 9.07 | - |
| Other non-operating income | | |
| Membership fees | 7.56 | 5.82 |
| Profit on sale of property, plant and equipment (net) | 56.44 | 25.34 |
| Miscellaneous income | 82.11 | 80.08 |
| | 746.15 | 631.68 |
| 23 Purchases of stock-in-trade | | |
| a. Raw Milk [Refer note 21(i)] | 107242.87 | 87378.51 |
| b. Polypack Milk | 10983.04 | 7262.26 |
| c. Ghee | 4161.56 | 3418.92 |
| d. Cattle Feed | 9908.08 | 8423.21 |
| e. Other Milk Products | 993.39 | 1307.40 |
| f. Animal Semen | 173.78 | 141.82 |
| Total | 133462.72 | 107932.12 |
| 24 Changes in inventories of finished goods | | |
| (Increase)/decrease in stocks | | |
| Stock at the end of the year: | | |
| a. Finished goods | 1196.39 | 751.65 |
| Less: Stock at the beginning of the year: | | |
| a. Finished goods | 751.65 | 1033.38 |
| (Increase)/decrease in stocks | (444.74) | (281.73) |
| 25 Employee benefits expense | | |
| a. Salaries, wages and bonus | 1201.65 | 1124.38 |
| b. Gratuity (Refer note 34) | 28.00 | 29.67 |
| c. Contribution to provident fund (Refer note 34) | 81.86 | 76.54 |
| d. Staff welfare expenses | 18.15 | 21.35 |
| | 1329.66 | 1251.94 |
| 26 Finance costs | | |
| Interest expense on borrowings | 345.06 | 305.61 |
| | 345.06 | 305.61 |
| 27 Depreciation and amortisation expense | | |
| Depreciation on property, plant and equipment (Refer note 12) | 392.45 | 387.22 |
| Less: Depreciation pertaining to assets acquired out of capital grant (Refer note 12(a)) | (114.07) | (128.44) |
| Amortisation of intangible assets (Refer note 12) | - | 2.29 |
| | 278.38 | 261.07 |



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Notes to the financial statements for the year ended March 31, 2023

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| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--|--|
| 28 Other expenses | | |
| a. Consumption of stores and spares | 135.69 | 95.95 |
| b. Power and fuel | 22.69 | 20.47 |
| c. Rent (Refer note 35) | 84.26 | 90.28 |
| d. Repairs and maintenance - buildings | 62.74 | 90.99 |
| e. Repairs and maintenance - machinery | 481.32 | 326.44 |
| f. Repairs and maintenance - others | 12.75 | 10.78 |
| g. Advertisement and business promotion | 115.29 | 208.73 |
| h. Freight, forwarding and distribution expenses | 4890.23 | 4709.91 |
| i. Insurance | 109.08 | 76.99 |
| j. Legal and professional fees | 134.22 | 246.63 |
| k. Payment to Auditors (Refer note (i) below) | 32.66 | 22.21 |
| l. Travelling and conveyance | 239.43 | 133.89 |
| m. Contractual and retainership expenses | 738.53 | 808.72 |
| n. Communication expenses | 140.85 | 147.21 |
| o. Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note (ii) below) | 17.65 | 21.68 |
| p. Miscellaneous expenses | 177.37 | 137.47 |
| | 7394.76 | 7148.35 |
| Note (i): | | |
| Auditors remuneration | | |
| Statutory audit fee | 24.50 | 15.70 |
| Tax audit fee | 2.50 | 2.50 |
| Out-of-pocket expenses | 0.68 | 0.62 |
| Goods and services tax (GST) on above | 4.98 | 3.39 |
| | 32.66 | 22.21 |
| Note (ii): | | |
| Details of Corporate Social Responsibility Expenditure | | |
| Amount required to be spent by the Company during the year | 17.65 | 21.68 |
| Amount spent during the year on: | | |
| Construction/acquisition of any asset | | |
| On purposes other than above | 17.65 | 21.68 |
| | 17.65 | 21.68 |
| Excess amount spent during the financial year | - | - |
| Set-off available for succeeding financial years | - | - |
| Nature of CSR activities | | |
| (i) Contribution to PM National Relief Fund | | |
| 29 Earnings/(Loss) per share | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Profit/(Loss) after tax | (345.37) | 746.75 |
| Weighted average number of Equity shares outstanding during the year | 3593424 | 3963196 |
| Nominal value of Equity share (INR) | 100.00 | 100.00 |
| Basic Earnings/(Loss) per Equity share (INR) | (9.61) | 18.84 |
| Equity shares used to compute Diluted Earnings per share | 3593547 | 3963284 |
| Diluted Earnings/(Loss) per Equity share (INR) (Refer note below) | (9.61) | 18.84 |

Note:

In view of the losses during the current year, share application money pending allotment are anti-dilutive and therefore have been ignored in the calculation of Diluted Earnings per share. Accordingly, there is no variation between Basic and Diluted Earnings per share.



PAAYAS MILK PRODUCER COMPANY LIMITED

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Notes to the financial statements for the year ended March 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

| | | | |
|----|---|--|--------------------------------------|
| 30 | Contingent liabilities | | |
| | | As at March 31, 2023 | As at March 31, 2022 |
| | a) Claims against the Company not acknowledged as debt | | |
| | Staff claims under litigation | 14.01 | 14.01 |
| 31 | In respect of the year ended March 31, 2023, the Board of Directors in their meeting held on July 14, 2023 have proposed a final dividend of INR 263.84 Lakhs (INR 7 per share) to be paid on fully paid Equity shares. | | |
| 32 | The Company has received share application money of INR 66.94 towards Equity shares, against which allotment has been made at the Board of Directors meeting held on May 19, 2023. | | |
| 33 | Related party disclosures | | |
| | a) Names of the related parties and nature of relationship | | |
| | Nature of relationship | Name of related party | |
| | Key Management Personnel | Ratan Kumar Singh (Director & Chief Executive) | |
| | b) Nature and amount of related party transactions | | |
| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| | Managerial remuneration | | |
| | Ratan Kumar Singh | 85.20 | 78.76 |
| 34 | Employee benefits plans | | |
| | a) Defined contribution plans | | |
| | Amount recognised in the Statement of Profit and Loss | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| | i. Provident fund paid to the authorities | 81.86 | 76.54 |
| | | <u>81.86</u> | <u>76.54</u> |
| | b) Defined benefit plan | | |
| | Gratuity | | |
| | The Company operates a Gratuity Plan. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. | | |
| | i. Present value of defined benefit obligation | As at March 31, 2023 | As at March 31, 2022 |
| | Balance at the beginning of the year | 191.93 | 163.88 |
| | Current service cost | 13.55 | 27.52 |
| | Interest cost | 30.09 | 10.58 |
| | Past service costs | - | - |
| | Benefits paid | (9.47) | (14.65) |
| | Actuarial (gain)/loss | (0.54) | 4.60 |
| | Balance at the end of the year | <u>225.56</u> | <u>191.93</u> |
| | ii. Fair value of plan assets | As at March 31, 2023 | As at March 31, 2022 |
| | Balance at the beginning of the year | 211.63 | 180.84 |
| | Expected return on plan assets | 15.52 | 12.47 |
| | Contribution by the Company | 16.68 | 29.57 |
| | Benefits paid | (9.47) | (11.81) |
| | Actuarial gain/(loss) | (0.41) | 0.56 |
| | Balance at the end of the year | <u>233.95</u> | <u>211.63</u> |



PAAYAS MILK PRODUCER COMPANY LIMITED

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Notes to the financial statements for the year ended March 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

| iii. Expense recognised in the Statement of Profit and Loss | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Current service cost | 13.55 | 27.52 |
| Interest cost | 30.09 | 10.58 |
| Past service costs | - | - |
| Expected return on plan assets | (15.52) | (12.47) |
| Actuarial (gain)/loss | (0.13) | 4.04 |
| Total expense | 28.00 | 29.67 |
| | | |
| iv. Actual return on plan assets | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| | 15.52 | 12.47 |
| Expected return on plan assets | (0.41) | 0.56 |
| Actuarial gain/(loss) | 15.11 | 13.03 |
| Actual return on plan assets | | |
| | | |
| v. (Assets)/Liabilities recognised in the Balance Sheet | As at March 31, 2023 | As at March 31, 2022 |
| Present value of defined benefit obligation | 225.56 | 191.93 |
| Less: Fair value of plan assets | 233.95 | 211.63 |
| Amount recognised as liability/(asset)* | (8.39) | (19.7) |

* Disclosed under note 19.

| vi. Amounts recognised in current year and previous four years | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Defined benefit obligation | 225.56 | 191.93 | 163.88 | 154.87 | 110.46 |
| Plan assets | 233.95 | 211.63 | 180.84 | 153.69 | 125.20 |
| (Surplus)/deficit | (8.39) | (19.70) | (16.96) | 1.18 | (14.74) |
| Experience adjustments in plan liabilities - (loss)/gain | (0.54) | (4.60) | 22.53 | (9.48) | (6.42) |
| Experience adjustments in plan assets - (loss)/gain | (0.41) | 0.56 | (1.05) | (1.27) | (1.35) |

| vii. Actuarial assumptions | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Discount rate | 7.37% | 7.24% |
| Salary growth rate | 8.00% | 8.00% |
| Expected return on plan assets | 7.21% | 7.02% |
| Attrition rate | 10.00% | 10.00% |

Notes:

- The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.
- The discount rate used is the market yields on Government Bonds at the Balance Sheet date with remaining terms to maturity approximating those of the Company's obligations.

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Notes to the financial statements for the year ended March 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

viii. Expected contribution to the fund in next year

| | March 31, 2023 | March 31, 2022 |
|----------|----------------|----------------|
| Gratuity | 16.68 | 16.68 |

ix. Major category of plan assets as a % of total plan assets

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------|-------------------------|-------------------------|
| Funds managed by Insurer | 100% | 100% |

Note:

The expected rate of return on plan assets is based on the composition of plan assets held (through LIC).

35 Leases

The Company has operating lease arrangements for premises. These lease arrangements range for a period between 12 months and 30 years, which are cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. Lease payments recognised in the Statement of Profit and Loss during the year is INR 84.26 (March 31, 2022: INR 90.28).

36 Additional regulatory information required by Schedule III

(a) Analytical ratios

| Ratio | | March 31, 2023 | March 31, 2022% | variance | Reason for variance |
|----------------------------------|----|----------------|-----------------|----------|---|
| Current Ratio | 1 | 1.65 | 1.79 | -7.66% | Not applicable |
| Debt-Equity Ratio | 2 | 0.61 | 0.60 | 1.37% | Not applicable |
| Debt Service Coverage Ratio | 3 | 0.01 | 0.05 | -82.30% | The ratio has declined as compared to previous year due to losses incurred by the Company. |
| Return on Equity Ratio | 4 | (0.03) | 0.06 | -146.30% | The ratio has declined as compared to previous year due to losses incurred by the Company. |
| Inventory Turnover Ratio | 5 | 145.02 | 131.72 | 10.09% | Not applicable |
| Trade Receivables Turnover Ratio | 6 | 14.13 | 13.11 | 7.80% | Not applicable |
| Trade Payables Turnover Ratio | 7 | 23.92 | 21.51 | 11.20% | Not applicable |
| Net Capital Turnover Ratio | 8 | 15.13 | 11.09 | 36.37% | The ratio has improved as compared to previous year due to increase in sales during the current year. |
| Net Profit Ratio | 9 | (0.00) | 0.01 | -138.49% | The ratio has declined as compared to previous year due to losses incurred by the Company. |
| Return on Capital Employed | 10 | (0.00) | 0.07 | -101.98% | The ratio has declined as compared to previous year due to losses incurred by the Company. |
| Return on Investment | 11 | - | - | - | Not applicable |



PAAYAS MILK PRODUCER COMPANY LIMITED

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Notes to the financial statements for the year ended March 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

| Particulars | | March 31, 2023 | March 31, 2022 |
|---|-------------|----------------|----------------|
| 1. Current Ratio | | | |
| Current Assets | Numerator | 22932.95 | 21816.00 |
| Current Liabilities | Denominator | 13882.91 | 12194.64 |
| 2. Debt-Equity Ratio | | | |
| Total Debt | Numerator | 6965.28 | 6976.42 |
| Shareholders' Equity | Denominator | 11473.91 | 11649.81 |
| 3. Debt Service Coverage Ratio | | | |
| Earnings available for debt service | Numerator | 253.53 | 1583.54 |
| Debt service | Denominator | 27911.74 | 30853.56 |
| (i) Earnings available for debt service: | | 253.53 | 1583.54 |
| Net profit before tax + Depreciation and amortisation expense + Finance costs + Loss on sale of property, plant and equipment (net) | | | |
| (ii) Debt service: | | 27911.74 | 30853.56 |
| Interest and lease payments + Principal repayments | | | |
| 4. Return on Equity Ratio | | | |
| Net profit after tax | Numerator | (345.37) | 746.75 |
| Average Shareholders' Equity | Denominator | 11561.86 | 11574.09 |
| 5. Inventory Turnover Ratio | | | |
| Sales | Numerator | 141249.78 | 117566.00 |
| Average Inventory | Denominator | 974.02 | 892.515 |
| 6. Trade Receivables Turnover Ratio | | | |
| Net Credit Sales | Numerator | 141249.78 | 117566.00 |
| Average Accounts Receivables | Denominator | 9995.07 | 8967.93 |
| 7. Trade Payables Turnover Ratio | | | |
| Total Purchases | Numerator | 133462.72 | 107932.12 |
| Average Trade Payables | Denominator | 5579.88 | 5018.09 |
| 8. Net Capital Turnover Ratio | | | |
| Net Sales | Numerator | 141249.78 | 117566.00 |
| Average Working Capital | Denominator | 9335.70 | 10596.71 |
| 9. Net Profit Ratio | | | |
| Net profit | Numerator | (345.37) | 746.75 |
| Net Sales | Denominator | 141249.78 | 117566.00 |
| 10. Return on Capital Employed | | | |
| Earnings before interest and tax | Numerator | (24.85) | 1322.47 |
| Average Capital Employed | Denominator | 18487.39 | 19467.37 |

Note:

1) Return on Investment Ratio is not applicable.

(b) Other regulatory information

(i) Title deeds of immovable properties not held in name of the Company

The Company does not own any immovable properties, therefore, this is not applicable to the Company.



PAAYAS MILK PRODUCER COMPANY LIMITED

CIN - U01211RJ2012PTC038955

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

(ii) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made thereunder.

(iii) Borrowings secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The Company has not filed quarterly returns or statements with such banks since the quarterly returns are not required as per the sanction letter/lender's agreement.

(iv) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(vii) Compliance with number of layers of companies

The Company has not invested in any subsidiary companies, therefore, this is not applicable to the Company.

(viii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement.

(ix) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(xi) Loans or advances to specified persons

The Company has not granted any loans or advances to the promoters, directors, KMPs and the related parties during the year.

(xii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.



PAAYAS MILK PRODUCER COMPANY LIMITED

CIN - U01211RJ2012PTC038955

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in INR Lakhs, unless otherwise stated)

(xiii) Valuation of property, plant and equipment, intangible assets and investment property

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(xiv) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

37 Segment reporting

The Company has identified the business segment as its primary segment. In accordance with Accounting Standard 17 - "Segment Reporting", the Company has determined its business segment as "trading of Milk, Milk Products and Cattle Feed". Since the Company's entire business is from trading of Milk, Milk Products and Cattle Feed, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying value of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2023. Further, since the entire revenue of the Company is generated from India, geographical secondary segment disclosures are also not applicable.

38 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent on September 28, 2020 and has been published in the Gazette of India. However, the date on which the provisions of the Code will come into effect has not been notified. The Company will assess the impact of the Code and the related Schemes/Rules when it comes into effect. Pending notification of the effective date as on date, no impact of the same has been recorded in these financial statements.

39 Previous year figures

Previous year figures have been reclassified, wherever necessary, to conform to the current year's classification.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors
PAAYAS MILK PRODUCER COMPANY LIMITED

Sd/-
Sandeep Chaddha
Partner
Membership Number: 096137
Place: Gurugram
Date: July 14, 2023

Sd/-
Geeta Devi Gurjar
Director
DIN: 07573959
Place: Jaipur
Date: July 14, 2023

Sd/-
Narayan Lal Gurjar
Director
DIN: 08075740
Place: Jaipur
Date: July 14, 2023

Sd/-
Ratan Kumar Singh
Director & Chief Executive
DIN: 00142430
Place: Jaipur
Date: July 14, 2023

Sd/-
Anup Gupta
Company Secretary
Membership Number: FCS 5302
Place: Jaipur
Date: July 14, 2023

Sd/-
Kapil Pachori
Deputy General Manager
(Finance)
Place: Jaipur
Date: July 14, 2023

PRODUCT BASKET



TONED MILK



HOMOGENIZED TONED MILK



DOUBLE TONED MILK



FULL CREAM MILK



MASALA CHHACH
(SPICED BUTTERMILK)



PANEER



CHHACH
(BUTTERMILK)

PRODUCT BASKET



DAHI



GHEE

GHEE

PREMIUM GHEE



MUDRIKA GOLD PASHU AAHAR
MUDRIKA PASHU AAHAR



RAJASTHAN SPECIFIC MINERAL MIXTURE
MUDRIKA RATION BALANCER



दूध खरा
सैहत 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
Phone No. 0141-2352736 | Website: www.paayasmilk.com | E-mail: info@paayasmilk.com