

DIRECTORS' REPORT

TO THE MEMBERS OF

SHWETDHARA MAHILA MILK PRODUCER COMPANY LIMITED

The Directors are pleased to present before you Fourth Annual Report on the operations of the Company, together with the Audited Financial Statements for the year ended 31st March, 2019.

The Company was incorporated on 25th April, 2016 as a Producer Company under the provisions of Part IXA of the Companies Act in the state of Uttar Pradesh to undertake the business of pooling, purchasing, processing of milk of the members, marketing of the same and to deal in the activities that are of or incidental to any activity related thereto.

FINANCIAL RESULTS: -

The summarized Financial Results are as under: -

Particulars	1st April, 2018 to March 31, 2019	1st April 2017 to March 31, 2018
Revenue from Operation	158,838,586/-	83,087,950/-
Other Income	2,937,337/-	6,749,208 /-
Total Income	161,775,923/-	89,837,159/-
Total Expenses	161,222,863/-	89,837,159/-
Profit / (Loss) Before Tax	553,059/-	-
Tax Expense	150,345/-	11022/-
Net Profit / (Loss) After Tax	402,714/-	(11,022)
Limited Return (Dividend) [including tax on distribution of dividend]		-
Transfer to General Reserve	402,714/-	-

STATE OF THE COMPANY'S AFFAIRS: -

During the year under review, the total revenue from operations was Rs.161.77 Lakh

Total expenses during the year was R 161.22 Lakh

The Profit after tax was R 4.02 Lakh

TRANSFER TO GENERAL RESERVE

Pursuant to provisions of article no 11.10 of Article of Association of the Company read with Section 581ZI of the Companies Act 1956, the Board proposes to transfer ₹ 402714 out of the profit after tax of the company for the financial year 2018-19 to the credit of General Reserve in the Balance sheet.

REVIEW OF OPERATIONS: -

MILK PROCUREMENT:

. The Company's milk procurement operations continue to remain extended in 100 villages of Pratapgarh districts of Utter Pradesh through Narangpu/Salhipur BMC locations. During the year, the Company has procured 45.64 lakh liters of liquid milk.

At the end of the financial year, the Company had 5550 members. The members have thus shown their confidence in the working of the Company. This healthy indicator reflects the onset of the growth saga of the Company, which will certainly reach higher peaks in years to come with the mutual assistance and support of more and more active members.

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

The Company is continuously endeavouring to maximize the productivity by enhancing efficiencies and taking cost reduction measures like reduce the logistics cost, better supervision, quality checks and better logistic controls etc.

QUALITY INITIATIVE:

All Bulk Milk Coolers (BMCs) under use are well equipped with the basic testing facilities and instruments for quality testing of raw milk. Towards ensuring and maintaining high quality levels in the operations of the Company, the Company has provided and is continuously providing technical support and trainings to all the concerned with emphasis on hygiene which are directly connected to the quality of milk. To ensure clean milk production at farm level, 43 Clean Milk Production training programmes at village level were conducted wherein 1031 members were trained. We are planning to implement food safety management system and have already started testing trials for antibiotics. We are going to start the testing for all the outward tankers at the dispatch hub.

PRODUCTIVITY ENHANCEMENT SERVICES

The Company has sold 233.56 MT Cattle feed and 26.27 MT Mineral Mixture to its member during the year. We have also worked on silage demonstration.

PRODUCER INSTITUTION BUILDING (PIB):

. PIB strengthen the business through better governance and member centric approach. The efforts are directed to increase member membership in business of the company resulting in better economy of scale.

The PIB activities differentiate the Producer Company from the other players in the dairy sector mainly through its open and transparent governance systems and member's contribution towards equity in proportion to their patronage.

MPC's Core Design Principles:

Core Design Principles were strictly observed. Business dealings were restricted only with members. Active user membership and their participation in business and governance were encouraged through member education and awareness building programmes. It has resulted in most of the active members have fulfilled the matching share capital contribution during the year.

Appropriate mechanism is being initiated for member communication and grievance redressal through constitution of informal groups at village level who meet on periodic basis for ensuring two-way communication between members and the Company, thereby, addressing the member grievances. The employees are also imparted behavioural and motivational training for managing business operations efficiently and achieve economy of scale required to ensure viability and self-sustenance at the earliest.

Training & Capacity Building Programs:

Members were imparted training on various awareness programs related to dairying so that they understand their roles and responsibilities. The training programs from time to time are organized covering members, potential members, Board members and employees. Major training programs conducted during the year 2018-19 were:

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S.N.	Training Programmes	Nos. Training Conducted	of No of Trained	Participants
1.	Business & Governance Strategy Workshop (Director)	1		6
2.	Refresher Program procurement team	2		6
3.	Refresher Program (Sahayak)	6		82
4.	Members Role & Responsibility Appreciation Prog.	43		1031
5.	Need based refresher Prog.	43		2030
6.	Orientation Prog. VCG	417		1185
7.	Awareness Program for Rural Youth	3		117
8.	Rural School children Awareness Programme	5		200
9	Dairy Management Training Programme			520
10.	Farmer's Workshop	10		103
11.	Refresher Programme	5		82

MATERIAL CHANGES AFTER CLOSURE OF FINANCIAL YEAR: -

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2019 till the date of this report. There are no significant and material orders passed by the Regulators and Courts that would impact the going concern status of the Company and its future operations

CHANGE IN NATURE OF BUSINESS: -

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

SHARE CAPITAL AND MEMBERSHIP: -

As at March 31, 2019, the paid-up share capital was Rs 4832600.

VOTING RIGHTS AND ATTENDANCE AT AGM: -

Those milk producers, who were members as on date of this report shall be entitled to attend the AGM and member who has poured milk for at least 200 days totalling to at least 500 Ltrs shall be eligible to vote and have a single vote.

BOARD OF DIRECTORS: -

During the year under review, Smt Usha Devi and Savitri Devi were appointed as Additional Director of the Company w.e.f 29th November, 2018 and 3rd December, 2018.

Smt. Anara Devi and Smt Manju Saroj were appointed as directors of the Company w.e.f. 13th July, 2018 and 4th January, 2019 respectively.

During the year Smt, Rina, Smt Sanjana Devi and Smt Poonam resigned from the position of Directorship w.e.f. 20th November, 2018.

Mr Alok Kumar Gupta was appointed as an Expert Director of the Company w.e.f 1st August, 2019.

Mr. Shailendra Kumar resigned from the position of Chief Executive and Director W.e.f 26th February, 2019.

Smt. Sarita Devi and Smt Sushila Devi were appointed as additional directors of the Company subject to allotment of Director Identification Number.

TRAINING OF BOARD MEMBERS: -

During the report period, the directors have been imparted training on business model of the Company and training in leadership as well as for their awareness, for their responsibilities, duties and their capacity building.

DIRECTORS' RESPONSIBILITY STATEMENT: -

As required under Section 217 of the Companies Act, 1956 ('Act'), Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed by the Company;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the profit of the Company for the period ended on that date.
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the directors have prepared the annual accounts on a going concern basis.

AUDITORS: -

The Statutory Auditors of the Company, M/s. Ajay Goel & Co., Chartered Accountants, retire at the ensuing second AGM, and have confirmed their eligibility and willingness to accept office, if re-appointed.

The Board of Directors recommend the re-appointment of M/s. Ajay Goel & Co., Chartered Accountants, as the Statutory Auditors of the Company at the ensuing AGM.

INTERNAL CONTROL SYSTEM AND AUDIT: -

The Company has in place the proper and adequate internal control system, which ensures that all assets are safeguarded and protected and the transactions are authorized, recorded and reported correctly. The internal audit of accounts is conducted regularly by the external firm of Chartered Accountants viz., M/s. Ray & Ray, Chartered Accountants. The Internal Auditors independently evaluate the adequacy of internal controls and carryout the audit.

HUMAN RESOURCE: -

People are the assets and have been instrumental in driving the Company's performance. Their passion, commitment, sense of ownership and team work has enabled the Company to achieve growth. The Company has always striven to offer a positive, supportive, open and high-performance work culture and environment where innovation is encouraged, performance is recognised and employees are motivated to realise their true potential.

INFORMATION TECHNOLOGY: -

Information technologies provides support to various functions of the Company and help in making the system streamline and online. The key focus of IT is to provide appropriate technologies to improve efficiency in operations, enable informed decision making and thereby to increase revenue.IT interventions in our Company are making the systems streamlined and online.

PARTICULARS OF EMPLOYEES: -

During the year under report, none of the employees of the Company were in receipt of remuneration equal to or exceeding limit as prescribed under the Companies Act.

SAFETY AND HEALTH: -

Your Company provides a safe and healthy workplace for its employees. There is always focus on the health and safety of employees, especially those physically handling the milk. Regular medical check-ups and necessary training is provided to employees.

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

Particulars required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

(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.

MEETINGS: -

During the financial year 2018-19, Four (4) meetings of Board of Directors of the Company were duly convened and held on 20.06.2018, 07.08.2018, 29.11.2018, & 26.02.2019.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS: -

The Company has not given any loans, guarantees and investments as per Companies Act, 1956 during the financial year 2018-19.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES: -

All the contracts or arrangements with related parties are made on arm's length basis. The details of contracts or arrangements appears at notes forming part of the Financial Statement for the year ended 31st March 2019.

RISK MANAGEMENT POLICY: -

Internal Auditors in their reports give their risk assessment on various issues and these reports are put up to the Board.

DEPOSITS: -

No disclosure or reporting was required in respect of the details relating to deposits covered under provisions of the Act as there were no deposits during the financial year 2018-19.

INTERNAL FINANCIAL CONTROL: -

Pursuant to the applicable provision of the Companies Act, the Company has adequate internal financial control systems in place.

ACKNOWLEDGEMENT: -

The Board of Directors would like to express their sincere thanks and appreciation for the contributions and support extended by the Members of the Company, Business Associates and Bankers for their continued support during the year.

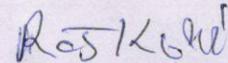
Your Directors also take this opportunity to place on record their sincere thanks to DHANII Foundation and NDDDB Dairy Services for providing encouragement and continuous support.

The Board also places on record its appreciation for the enthusiastic co-operation, hard work and dedication of all the employees of the company and all concerned without which it would not have been possible to achieve all round progress and growth of the Company.

For and on behalf of the Board of Directors

Date: 02.09.2019

Place: Pratapgarh


Raj Kumari

Chairman