



ANNUAL REPORT
2022-2023

JAMMU AND KASHMIR MILK PRODUCERS' COOPERATIVE LIMITED



Board Directors at the 49th IDA Conference at Gandhinagar



Board Directors attended training at NDDB Jalandhar



Board Directors with the Chairman and MD of NCDFI during the 49th IDA Conference at Gandhinagar.





Jammu & Kashmir Milk Producers' Cooperative Limited

Registered under J&K Self Reliant Co-operative Act, 1999

Registration No. 763/252, dated 12.07.2004

Dairy plants: Cheshmashahi Srinagar & Satwari Jammu

Board of Directors



Shri Ashok Kumar Angurana
IAS (Retd.)
Chairman



Shri Jayen Mehta
Managing Director,
GCMMF Ltd., Anand



Shri Ranjeet Singh
District Jammu (Akhnoor)



Shri Sahib Singh
District Kathua & Samba



Mr Ghulam Rasool Lone
District Anantnag & Kulgam



Mr Imtiyaz Ahmad Bhat
District Pulwama & Shopian



Shri Avtar Singh
District Jammu (Khour)



Shri Darshan Kumar
District Jammu (R. S. Pura)



Mr Abdul Hameed Lone
District Baramulla & Bandipora



Mr Abdul Hamid Sofi
District Srinagar & Budgam



Shri Dhiraj Chaudhary
GCMMF Representative



Shri Arvind Kumar Dhagat
Technical Expert



Shri Gaurav Sharma
CEO (Member/Secretary)

Bankers

Jammu & Kashmir Bank Ltd., J&K Grameen Bank Ltd., HDFC Bank

Auditors

Gupta Ravi & Associates, Chartered Accountants, Jammu

Report of the Board of Directors,
Annual Accounts and Auditors' Report
Adopted at their Meeting held on 9th June, 2023
for presentation at the 19th Annual General Meeting
to be held on 21st August, 2023.

Chairman's Speech

Ladies and gentlemen,

I am honoured and privileged to welcome the esteemed Board Directors, staff of JKMPCL, shareholders, distinguished guests, our hardworking farmers and all others to the 19th Annual General Meeting of the Jammu & Kashmir Milk Producers Co-operative Limited (JKMPCL). Today we gather here to mark another successful year in the history of our organisation and celebrate the remarkable journey we have undertaken together over the last two decades.

During this momentous period, JKMPCL

has emerged as the apex dairy co-operative of J&K, empowering thousands of milk producers by supporting their livelihoods, along with ensuring consistent supply of quality milk and milk products to our valued consumers. JKMPCL's success story would not have been possible without the unwavering support and dedication of our farmer-members, the visionary leadership from GCMMF (Amul), and the trust and faith bestowed upon us by our shareholders (i.e., village-level dairy co-operatives associated with JKMPCL) and certainly the hard work and perseverance of our employees.

As Chairman of this esteemed organisation, I feel immensely proud of our collective accomplishments. We have witnessed consistent growth in our milk procurement, processing capacity and market presence. Our focus on modernisation, quality assurance and customer satisfaction has propelled us to new heights. Today, JKMPCL stands as a symbol of trust, reliability and excellence in the dairy industry of Jammu & Kashmir. It merits a mention that during last year, despite disruptive situation due to eruption of Lumpy Skin Disease among the cattle, we have achieved **19% growth** in sales turnover and for the first time JKMPCL crossed **₹ 270 Crore turnover**. This unprecedented growth and progress of JKMPCL can be attributed to the trust and belief of our milk producer members in a democratically elected and autonomously managed co-operative body.

Our commitment to the welfare of our milk producer members remains at the heart of everything we do. We have invested in training programs, veterinary services and the development of sustainable farming practices, which aid and assist in the prosperity and well-being of our milk producing farmers. By providing them with a fair and transparent pricing mechanism, we have not only uplifted their economic status but also instilled a sense of pride and ownership in their cooperative.

I would like to mention here that during the year 2022-23, JKMPCL initiated a programme for the distribution of free medicines to combat the eruption of Lumpy Skin Disease (LSD) which affected thousands of cattle across Jammu &



Chairman JKMPCL welcomed Incharge MD GCMF on board to JKMPCL.



Chairman and MD NCDFI welcomed by CEO JKMPCL at Srinagar plant.



Flag hoisting by Chairman at Jammu plant.

Kashmir. Recognizing the importance of tackling the situation of LSD eruption, JKMPCL took the timely initiative to provide free medicines worth ₹ 41.37 lakh to assist our farmer-members to contain the epidemic of Lumpy Skin Disease and salvage the farmers from heavy economic losses.

Additionally, deworming plays a vital role in maintaining the health and productivity of cattle. Parasitic infestations such as worms can significantly impact the overall health of animals leading to decreased milk production, poor weight gain and other related issues. Here again we took the initiative of distribution of free medicines for deworming of cattle and other veterinary measures through our employee

veterinarians. Under this continuing initiative, JKMPCL aims to reach out to as many cattle-rearing farmers as possible and ensure the well-being of their livestock. During the year 2022-23, JKMPCL managed to distribute around 1.05 lakh tablets worth ₹ 25.19 lakh among the milk producing farmers.

During the year 2022-23, numerous training programs were organized by JKMPCL for the milk producing farmers at the 'Northern Regional Demonstration & Training Centre' of National Dairy Development Board (NDDB), Jalandhar in Punjab. Such programs aimed to provide valuable insights and practical knowledge to the participating farmers for improved productivity

Milk processing plant in Cheshmashahi, Srinagar.



and efficiency in their dairy operations. Till date, around **30 batches comprising more than 1,500 farmer-members** including women members from both the divisions have been sent to NDDB Jalandhar for the training. The training program at NDDB Jalandhar provided a platform for dairy farmers to interact with experts in the field, share their experiences and gain practical knowledge. It equipped them with the necessary skills and information to overcome challenges and adopt best practices in their dairy farming endeavours.

I would like to express my gratitude to the Board Directors of JKMPCL for their invaluable guidance, foresight and unwavering commitment to the co-operative principles that govern us. Their collective wisdom and strategic decision-making has steered us through trials and challenges, ensuring the long-term sustainability and growth of JKMPCL. As we look ahead, we must acknowledge the changing trends of the dairy industry. Rapid technological advancements, evolving consumer preferences and global market dynamics provide us with

both opportunities as well as challenges. It is imperative that we adapt, innovate and embrace change to stay at the forefront of this dynamic sector.

We will continue to invest in state-of-the-art infrastructure and cutting-edge technologies to enhance our productivity, product range and market competitiveness. This year, under the component of



Dahi being manufactured at Jammu plant.



CEO JKMPCL with Incharge MD GCMMF at 49th IDA Conference.



CEO at NDDB jalandhar training.

'Information & Communication Technology Networking' of the Central Sector Scheme – National Program for Dairy Development, JKMPCL is in the process of installation of the Dairy ERP software across its supply chain. This software will significantly enhance the dairy management operations and streamline various processes within our organization. The software has been specifically designed to cater to the unique requirements of JKMPCL, offering features such as milk procurement management, inventory tracking, production planning, quality control, HR management, sales and distribution, financial management and more. We are excited about the numerous benefits of the Dairy ERP software will bring to our organization including improved

productivity, streamlined processes, enhanced data accuracy and better decision-making capabilities. By centralizing and automating various tasks, we expect to achieve greater operational efficiency and cost savings. I am happy to mention here that our employees are committed to minimizing any disruptions in the installation process of the Dairy ERP system and are keen to ensure a smooth transition to the new system. I am grateful to the IT team of GCMMF for their able cooperation and support extended so far. Henceforth, their valuable insights and inputs will further contribute to the overall success of the Dairy ERP software deployment in JKMPCL.

I urge all members to actively participate in the deliberations of this Annual General Meeting

Veterinarian at site in Jammu division.



as your insights and suggestions are crucial in shaping the future course of our organization. Let us engage in constructive discussions, share our experiences and collectively work towards the common goal of ensuring the continued success and growth of JKMPCL.

I, now, present to you JKMPCL's Annual Report and the Audited Accounts for the year 2022-23.

MILK PROCUREMENT

During the year 2022-23, JKMPCL procured **427.24 lakh kilograms** of milk from its milk producers (average of 1.17 lakh kg per day) and paid ₹ 17204.96 lakh as price for milk.

SALES TURNOVER

During the year 2022-23, we sold 425.71 lakh litres of milk valued at ₹ 21637.46 lakh, 0.37 lakh litres of ghee valued at ₹143.12 lakh, 43.38 lakh kilograms of curd valued at ₹ 3002.19 lakh, 4.56 lakh litres of Buttermilk valued at ₹ 107.17 lakh, 0.98 lakh kilograms of Fresh Paneer valued at ₹ 282.70 lakh and 4.81 lakh litres of Ice-cream valued at ₹428.20 lakh. The turnover of JKMPCL for the year 2022-23 has been ₹ 270.46 crores.

PROCUREMENT NETWORK

As on 31st March, 2023, 37 milk routes covering 602 Village-level Milk Producers' Cooperative Societies have been operational in the



Free medicine for Lumpy Skin Disease distributed to farmers.



Steel pails distributed among milk producing farmers.



Chairman JKMPCL met the trainee-farmers at NDDB Jalandhar.

Kashmir region and 25 milk routes covering 539 Village-level Milk Producers' Cooperative Societies have been operational in the Jammu region. Clusters of milk procurement routes are supported with robust cold chain infrastructures having chilling capacity of 1.25 lakh litres per day in Jammu division and 1.0 lakh litres per day in Kashmir valley.

PRICE TO MILK PRODUCERS

I am delighted to repeat once again that during the year 2022-23, the average purchase price to farmers comes to ₹ 40.25 per kg of milk, which is ~75% of the customer's rupee and one of the highest at the national level.

In conclusion, I would like to thank all those

who have contributed directly or indirectly in the making of this organization as a viable co-operative. I thank various government departments especially the Department of Animal Husbandry and Dairying; Ministry of Fisheries, Animal Husbandry and Dairying, Government of India, Agricultural Production Department, J&K and Cooperatives Department, J&K for their valuable support and co-operation given during the year 2022-23. We also express our gratitude to other departments of J&K Government like Department of Animal Husbandry, Department of Rural Development, J&K Rural Livelihood Mission, Department of Food Safety, Legal Metrology Department, Department of Industries & Commerce, Labour Department,

Visit of Biscoe Mallinson School at Srinagar Plant.



Food Civil Supplies & Consumer Affairs Department, Commercial Taxes Department, Power Development Department, Pollution Control Committee, J&K Lake Conservation & Management Authority, National Cooperative Dairy Federation of India, and all our clients for their support during the year 2022-23. Our Bankers, Insurance management consultant, Suppliers, Distributors and Transport contractors have been of great help to us in achieving our growth. I thank all of them for their support. I also specially thanks to the Registrar of Cooperative Societies J&K for the support and cooperation given for registering a large number of co-operative societies during the year 2022-23. GCMMF (Amul), Anand, Gujarat, has been supporting us from the very inception. We are extremely thankful to the management of GCMMF for the support they have rendered during the year 2022-23 and I hope that they will continue to support us in the future as well.

Last, but not the least, I would like to express my sincere appreciation to each and every member, employee and stakeholder who has played a vital role in making JKMPCL the organisation it is today. Let us celebrate our achievements, learn from our experiences and march forward with renewed determination, unity and resilience.

Thank you all.
Jai Hind!

Ashok Kumar Angurana,
IAS (Retd.)
Chairman, JKMPCL



Visit of Vishwa Bharti School at Srinagar Plant.

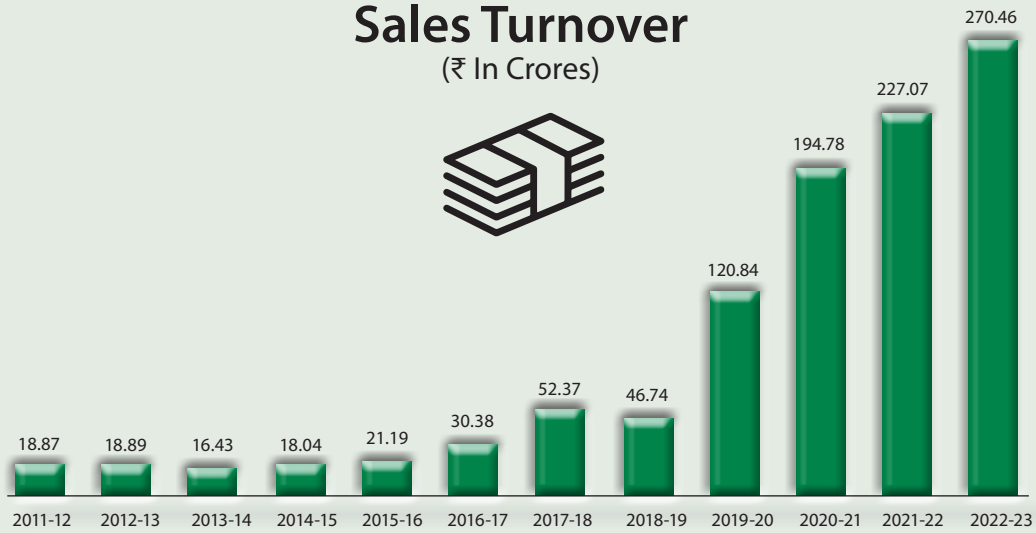


Visit of girls higher secondary at srinagar plant.

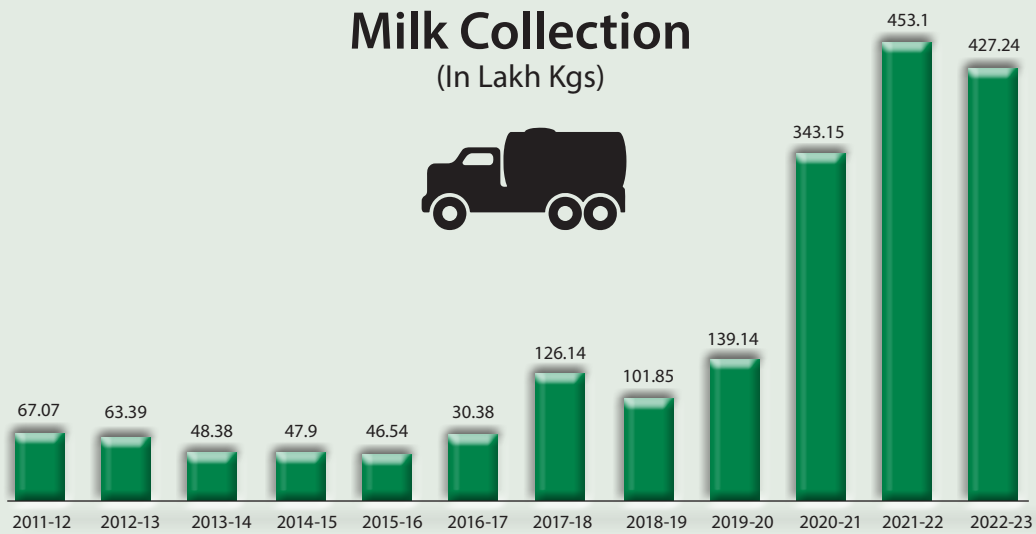


Milk producing farmers participated in the World Milk Day celebrated in Srinagar.

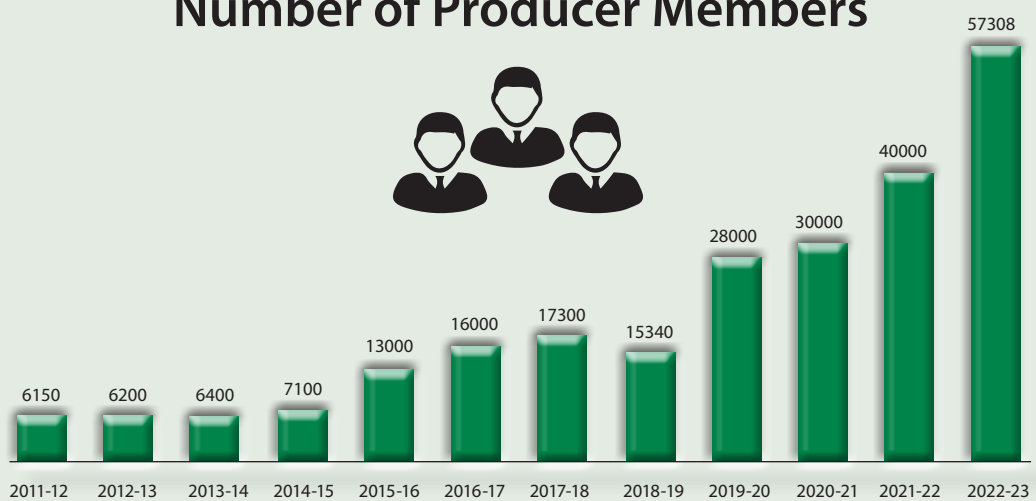
Sales Turnover (₹ In Crores)



Milk Collection (In Lakh Kgs)



Number of Producer Members



INDEPENDENT AUDITORS' REPORT

To the Members of Jammu & Kashmir Milk Producers' Co-operative Limited REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Jammu & Kashmir Milk Producers' Co-operative Limited ("the Co-operative"), which comprise the Balance Sheet as at 31st March, 2023, the Profit & Loss Account for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), as applicable to non-corporate entities, and the accounting principles generally accepted in India, of the state of affairs of the Co-operative as at 31st March, 2023 and profit for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the institute of Chartered Accountants of India. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Co-operative's Management is responsible for the preparation and fair presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Co-operative in accordance with the accounting principles generally accepted in India, including Accounting Standards issued by the Institute of Chartered Accountants of India as applicable to non-corporate entities. This Responsibility includes maintenance of adequate accounting records for safeguarding of the assets of the Co-operative and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made in the financial statements by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by section 45(13) of the JAMMU & KASHMIR SELF RELIANT COOPERATIVES ACT, 1999, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for confirmations from the creditors/debtors.
- (b) The Balance Sheet and the Profit and loss Account dealt with by this report are in agreement with the books of account;
- (c) The basis of valuation of Fixed Assets and Inventories is as per the accounting policies stated in schedule B forming part of the financial statements. All other assets and liabilities are stated at face value. There has not been any change in the basis of valuation of Assets and Liabilities of the Co-operative.
- (d) The amount of Surplus earned from provision of services to non-members has not been ascertained.

- (e) Deviation in actual expenses and income from the estimated expenses and income in the approved budget are stated at S. No. 2(D) of Schedule-B forming part of the Financial Statements
- (f) On the basis of the written representations received from Directors, none of the directors had at any time during the year under review, became ineligible under this Act to continue in office as a director;
- (g) The decisions on disposal of surplus of the general body at its previous annual general meeting were implemented correctly and completely.

For: Gupta Ravi & Associates

Chartered Accountants

FRN: 006970N

CA. Amit Gupta

Partner

Membership No. 500722

UDIN:

Place: Jammu:

Date: June 09, 2023

JAMMU & KASHMIR MILK PRODUCERS' CO-OPERATIVE LIMITED, SRINAGAR

Balance Sheet As At 31st March, 2023

	Amount ₹	
Particulars	As At 31 st March 2023	As At 31 st March 2022
I. CAPITAL AND LIABILITIES		
(1) Members' Funds		
(a) Share Capital	5,778,000	5,827,000
(b) Reserves and Surplus	69,399,695	61,164,477
	75,177,695	66,991,477
(2) Unt utilised Government Grant		
	511,920,376	790,739,919
	511,920,376	790,739,919
(3) Current Liabilities		
(a) Trade Payables	141,108,468	140,930,129
(b) Short Term Borrowings	31,663,951	83,435,397
(c) Other Current Liabilities	170,242,698	48,016,853
(d) Short Term Provisions	577,800	1,496,298
	343,592,917	273,878,676
TOTAL	930,690,988	1,131,610,072
II. ASSETS		
(1) Non-Current Assets		
A) Property, Plant and Equipment and Intangible Assets:-		
(a) Property, Plant and Equipment	72,722,157	60,874,297
(b) Capital Work-in-Progress	779,726	745,491
	73,501,883	61,619,788
(2) Current Assets		
(a) Inventories	154,305,023	185,115,899
(b) Trade Receivable	107,919,955	74,447,232
(c) Cash and Bank Balances	350,914,518	712,031,232
(d) Short Term Loans and Advances	11,707,681	5,200,090
(e) Other Current Assets	232,341,928	93,195,831
	857,189,105	1,069,990,284
TOTAL	930,690,988	1,131,610,072

Significant Accounting Policies and Notes on Accounts – "Schedule B"

The accompanying notes are an integral part of the financial statements

As per our attached report of even date.

For, Jammu & Kashmir Milk Producers Cooperative Limited

For Gupta Ravi & Associates
Chartered Accountants

CA Shivam Gupta
Dy. Manager (Accounts)

Gaurav Sharma
Chief Executive Officer

Ashok Kumar Angurana
Chairman

Firm Registration No. :006970N

CA Amit Gupta

Partner

Membership No. 500722

Directors

Jayen Mehta

Dhiraj Chaudhary

Arvind Kumar Dhagat

Abdul Hameed Lone

Imtiyaz Ahmad Bhat

Abdul Hamid Sofi

Ghulam Rasool Lone

Ranjeet Singh

Sahib Singh

Avtar Singh

Darshan Kumar

Place: Jammu

Place: Jammu

Date: June 09, 2023

Date: June 09, 2023

JAMMU & KASHMIR MILK PRODUCERS' CO-OPERATIVE LIMITED, SRINAGAR

Statement of Profit & Loss for the Year ended on 31st March, 2023

	Amount ₹	
Particulars	Year ended on 31 st March 2023	Year ended on 31 st Mar 2022
I. INCOME		
Sales:		
Milk and Milk Products	2,588,595,133	2,171,577,104
Others	116,083,798	99,149,517
	2,704,678,931	2,270,726,622
Other Operating Income	909,781	191,148
Other Income	7,670,530	53,315,320
Excess Insurance Claim Received	183,780	-
Total income	2,713,443,022	2,324,233,089
II. EXPENSES		
a. Purchases of Trade Goods	124,517,322	111,486,114
b. Cost of Material Consumed	2,175,145,399	1,792,308,192
c. Manufacturing Expenses	118,428,371	92,310,122
d. Decrease/ Increase in Inventories of Finished Goods (including Trade Goods), Work-in-process and Scrap Stock	(5,185,678)	9,788,508
e. Marketing, Administrative and Other Expenses	213,602,270	187,989,186
f. Employee Benefits Expenses	60,379,865	46,309,122
g. Depreciation and Amortisation	11,073,711	9,223,021
h. Finance Costs	2,437,677	4,016,836
i. Expenses Against Grant	-	-
Total expenses	2,700,398,937	2,253,431,101
III. Profit/ Loss before Tax (I-II)	13,044,085	70,801,988
IV. Prior Period Expenses	710,153	387,270
V. Tax expense		
Current Year	3,292,114	17,885,367
Interest on Income Tax for Earlier Year	616,556	11,200
Total Tax Expenses	3,908,670	17,896,567
VI. Profit for the year (III-IV-V)	8,425,263	52,518,151

Significant Accounting Policies and Notes on Accounts – "Schedule B"

The accompanying notes are an integral part of the financial statements

As per our attached report of even date.

For, Jammu & Kashmir Milk Producers Cooperative Limited

For Gupta Ravi & Associates
Chartered Accountants

CA Shivam Gupta
Dy. Manager (Accounts)

Gaurav Sharma
Chief Executive Officer

Ashok Kumar Angurana
Chairman

Firm Registration No. :006970N

CA Amit Gupta

Partner

Membership No. 500722

Directors

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Dhiraj Chaudhary

Arvind Kumar Dhagat

Abdul Hameed Lone

Imtiyaz Ahmad Bhat

Abdul Hamid Sofi

Ghulam Rasool Lone

Ranjeet Singh

Sahib Singh

Avtar Singh

Darshan Kumar

Place: Jammu

Place: Jammu

Date: June 09, 2023

Date: June 09, 2023

08. PROPERTY, PLANT & EQUIPMENTS

PARTICULARS	Rate of Dep.	GROSS BLOCK (AT COST)				GOVT. GRANT				DEPRECIATION			NET BLOCK		
		As At	Additions during the year	Adjustments/ Capitalised during the Year	As At	As At	Adjustment	For the Year	Total	As At	For the year	As At	As At	As At	
		1-Apr-22			31-Mar-23	1-Apr-22	Year	1-Apr-22	1-Apr-22	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22		
PROPERTY, PLANT AND EQUIPMENT															
Leasehold Land	0%	-	1,161,120	-	1,161,120	-	-	-	-	-	-	-	-	1,161,120	-
Buildings	10%	29,573,396	2,866,290	-	32,439,686	15,434,962	181,446	15,616,408	3,972,657	1,263,062.00	5,235,719	11,587,559	10,165,777		
Plant and equipments	15%	482,835,154	36,902,434	-	519,737,588	401,960,657	26,526,578	428,487,235	38,927,168	7,420,370.00	46,347,538	44,902,816	41,947,329		
Lab Equipments		1,150,623	-	-	1,150,623	-	-	1,150,623	-	-	-	-	-		
Plant and equipments (ETP)	15%	1,560,125	-	-	1,560,125	1,106,625	-	1,106,625	453,500	-	453,500	-	-		
Furniture and fixtures	10%	2,647,697	475,946	-	3,123,643	512,450	-	512,450	622,338	183,307.00	805,645	1,805,548	1,512,909		
Office equipments	15%	7,214,537	1,550,184	-	8,764,721	-	-	-	2,732,927	865,579.00	3,598,506	5,166,215	4,481,610		
Computers	40%	2,456,131	599,457	-	3,055,588	-	-	-	1,679,814	476,625.00	2,156,439	899,149	776,317		
Cans	15%	1,203,217	1,844,153	-	3,047,370	834,981	1,844,153	2,679,134	291,316	11,538.00	302,854	65,382	76,920		
Fans	10%	214,383	88,464	-	302,847	-	-	-	47,782	24,502.00	72,284	230,563	166,601		
Milk Parlour	10%	591,720	-	-	591,720	532,548	-	532,548	25,365	3,381.00	28,746	30,426	33,807		
Road Vending Machine	15%	602,980	-	-	602,980	-	-	-	203,134	59,977.00	263,111	339,869	399,846		
Electric Fitting & Installation		727,812	2,770,517	-	3,498,329	-	-	-	260,889	185,218.00	446,107	3,052,222	466,923		
Vehicles	15%	5,305,963	10,643,082	-	15,949,045	4,553,311	7,427,900	11,981,211	348,373	513,856.00	862,229	3,105,605	404,279		
Water Tanks	15%	764,013	-	-	764,013	-	-	-	322,034	66,296.00	388,330	375,683	441,979		
SUB TOTAL (A)		536,847,751	58,901,648	-	595,749,399	426,086,157	35,980,077	462,066,234	49,887,297	11,073,711.00	60,961,008	72,722,157	60,874,297		
Capital work-in-progress															
New Administrative Building		568,791	34,235	-	603,026	-	-	-	-	-	-	603,026	568,791		
Land at Samba		126,700	-	-	126,700	-	-	-	-	-	-	126,700	126,700		
Land at Khrew		50,000	-	-	50,000	-	-	-	-	-	-	50,000	50,000		
PLANT & MACHINERY (Tribal Affairs)		21,122,589	(0.44)	21,122,589	-	21,122,589	24,528,238	3,405,649	-	-	-	-	-		
RENOVATION OF BMCS (Tribal Affairs)		181,446	-	181,446	-	181,446	181,446	-	-	-	-	-	-		
PLANT & MACHINERY (NPDD IVTH PHASE)		15,979,535	284,014,486	7,815,402	292,178,619	15,979,535	7,815,402	292,178,619	-	-	-	-	-		
SUB TOTAL (B)		38,029,061	284,048,720	29,119,437	292,958,345	37,283,570	32,525,086	287,420,135	292,178,619	-	-	-	745,491		
GRAND TOTAL (A+B)		574,876,812	342,950,368	29,119,437	888,707,743	463,369,727	32,525,086	754,244,852	49,887,297	11,073,711	60,961,008	73,501,883	61,619,788		
PREVIOUS YEAR :		528,711,318	318,166,781	(1,580,870)	848,458,969	456,903,289	15,087,272	733,790,145	36,089,838	4,574,438	40,664,276	61,619,788	27,250,481		

JAMMU & KASHMIR MILK PRODUCERS' CO-OPERATIVE LIMITED, SRINAGAR

SCHEDULE TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023.

SCHEDULE – B

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

21. SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION:

The Financial Statements of the JAMMU & KASHMIR MILK PRODUCERS' CO-OPERATIVE LIMITED, SRINAGAR (The Society) have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Society has prepared these Financial Statements to comply in all material respects with the Accounting Standards issued by The Institute of Chartered Accountants of India as applicable to non-corporate entities. The Financial Statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year.

B. USE OF ESTIMATES:

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

C. REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods:

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed on to the buyer, usually on delivery of the goods. The Society collects Goods and Service Tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Society. Hence, they are excluded from revenue. Sales are recognized net of returns.

Interest:

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

Other Revenue (Income):

In appropriate circumstances, Other Revenue (Income) is recognised when no significant uncertainty as to determination or realisation exists.

D. PROPERTY, PLANT AND EQUIPMENT:

Property, Plant and Equipment are stated at costs which comprises its purchase price net of any grants, subsidy, trade discounts and rebates, any import duty and other taxes (other than those subsequently recoverable from tax authorities), incidental expenses and erection / commissioning expenses incurred up to the date the asset is ready for its intended use, net of accumulated depreciation and accumulated impairment losses. Property, Plant and Equipment acquired on deferred payment terms / exchange of existing assets are measured at fair value of assets agreed with the suppliers. Borrowing costs attributable to cost of bringing the Property, Plant and Equipment to its working condition which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for its intended use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the beginning of the year and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

E. DEPRECIATION:

Depreciation on Fixed Assets has been provided as specified under the Income Tax Act, 1961 and the Rules framed there under on Written Down Value basis.

F. INVENTORIES:

- (i) Raw Materials, Packing Materials and Spares, Stores & Consumables are valued at cost. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost of raw materials, packing materials and Spares, Stores and Consumables is determined on FIFO basis.
- (ii) Work in Progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes direct material cost, labour and a proportion of manufacturing overheads based on actual operating capacity.
- (iii) Traded goods are valued at lower of cost and estimated net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is estimated selling price in the ordinary course of business less assessed cost of completion and assessed cost necessary to make the sale.

G. ACCOUNTING FOR GOVERNMENT GRANTS:

- 1) Capital grants received for purchase of capital assets has been reduced from the cost of respective assets.
- 2) Revenue grants received have been reduced from the respective expenditure head in the Profit & Loss Account.
- 3) Interest earned (Net of Tax) by temporary parking of unutilized grant in bank fixed deposit is reflected along with unutilized grant as at the end of the year.

H. PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when the Society has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at each Balance Sheet date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Society or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Society does not recognize a contingent liability but discloses its existence in the financial statements.

I. EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

Retirement benefit in the form of Provident Fund and ESI are defined contribution Plan. The Society has no obligation, other than the contribution payable to the provident fund and ESI. The Society recognises contribution payable to the provident fund and ESI as expenditure, when an employee renders the related service.

(ii) Defined Benefit Plan:

The Society operates Defined Benefit plan for employees, as gratuity liability. Gratuity Trust of the Society has taken policy from LIC for the same and LIC determines annual premium to be paid as per actuarial valuation done by them.

Actual premium paid to the LIC by Gratuity trust is recognised in full in the period in which they occur in the Statement of Profit and Loss.

J. INCOME TAXES

Tax expense comprises of Current and Deferred Tax. Current Tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax charge / credit reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate and tax laws that are enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Society has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

22. NOTES ON ACCOUNTS:

- A. In accordance to the Byelaws of The Society, amount appropriated towards Reserve Fund to the extent of income other than business activities is Rs.9.10 Lac (Previous Year Rs. 1.91 Lac). In view of net profit of Rs. 84.25 Lac during 2022-2023 after income tax, dividend is proposed @10% for a total amount of Rs. 5.78 Lac for the year 2022-2023 (Previous year-@10% for Rs. 5.83 Lac) subject to approval in Annual General Meeting and is to be paid to ordinary Members who are Shareholders. The Society has calculated the profit as a whole from business of sales of Milk, Milk products & allied products and no separate account has been maintained for profit attributable to business out of milk-procurement from non-members.
- B. The society was being managed by an Expert Board nominated by Govt of Jammu and Kashmir vide its order No.51 –ASH of 2004 dated 8th April, 2004, No. 96-ASH of 2004 dated 21st July 2004., order No.143-ASH of 2005 dated 14th October, 2005 and order No. 20-Coop. of 2007 dt. 30th August, 2007. During the financial year 2004-05, Govt. of Jammu & Kashmir transferred land, buildings, equipments & Machinery of erstwhile Federations (The Kashmir Valley Milk Producers Co-operative Federation Limited and the Jammu Co-operative Milk Federation Limited) at Zero value to this society (JKMPCL Limited). With effect from August 2009 the management of the society has been taken over by the duly elected Board of Directors in terms of the Articles of Association of the society.
- C. The Society has made expenses and earned income during the year 2022-23 in accordance with Approved Revenue Budget in 18th Annual General Meeting dated 20th September, 2022. While overall expenses are within the budget limits approved by the General body there are certain deviations in certain expense heads due to inflation and business requirements. Budgeted income is also adversely

affected due to epidemic L.S.D. in spite of inflation during the financial year 2022-2023. These deviations of Income & Expenses as listed below are being recommended by Board of JKMPCL for necessary approval in 19th Annual General Meeting as per Act.

S.No.	Particulars	Budgeted (Rs. in lacs)	Actuals (Rs. in Lacs)
(1)	Total Income (including Inc./ Dec. in Inventory)	30000.00	27046.79
(2)	Total Expenses (excluding Income Tax)	29800.00	27035.93
(3)	Variance in Expenses Head :		
	(i) Brand Royalty	200.00	229.08
	(ii) Co-operative Development Expenses	100.00	184.82
	(iii) Depreciation	100.00	110.74

A. Contingent Liabilities not provided for in respect of:

S.No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022
(1)	Bank Guarantees issued against supplies to Army Stations as per respective Annual Tender Contracts	Rs. 4,70,27,600/-	Rs.7,51,00,400/-

B. Balances of Sundry Creditors, Debtors and Loans & Advances are subject to confirmation and in the opinion of the Management have realizable value at which they have been shown in the financial statements.

C. Previous year's figures have been regrouped where ever required.

For Gupta Ravi & Associates
Chartered Accountants

FRN:006970N

CA Amit Gupta
Partner

Membership No. 500722

CA Shivam Gupta
Dy. Manager (Accounts)

Gaurav Sharma
Chief Executive Officer

Ashok Kumar Angurana
Chairman

Directors

Jayen Mehta
Dhiraj Chaudhary
Arvind Kumar Dhagat
Abdul Hameed Lone
Imtiyaz Ahmad Bhat
Abdul Hamid Sofi

Ghulam Rasool Lone
Ranjeet Singh
Sahib Singh
Avtar Singh
Darshan Kumar

Place: Jammu
Date: June 09, 2023

Place: Jammu
Date: June 09, 2023





Jammu and Kashmir Milk Producers' Cooperative Limited