

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Metro Dairy Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Metro Dairy Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 audit opinion on the Ind AS financial statements.

**Other Information**

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

### **Responsibility of Management for the Ind AS Financial Statements**

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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



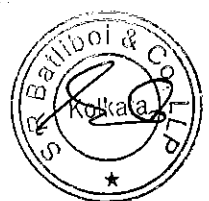
are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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 Ind AS 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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**

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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 Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjay Agarwal**

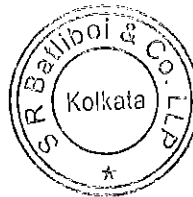
Partner

Membership Number: 055833

UDIN: 19055833AAAAAH4255

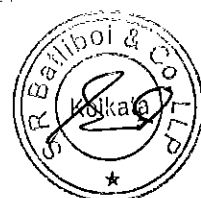
Place of Signature: Kolkata

Date: August 30, 2019



**Annexure 1 to the Independent Auditors' Report (referred to in our report of even date to the members of Metro Dairy Limited as at and for the year ended 31st March 2019)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to information and explanations given to us, there are no loans and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of section 185 and 186 of the Companies Act 2013 in respect of investments made and guarantees given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax,



sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows:-

Name of the statute	Nature of Dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Bengal Public Demand Recovery Act' 1913	Cess including interest thereon	2.75	1992-93 to 1997-98	Hon'ble High Court, Calcutta
Income Tax Act 1961	Disallowances of certain deductions	15.15	2009-2010 to 2015-2016	CIT Appeals

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer and debt instruments. Further, term loans were applied for the purpose for which the loans were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjay Agarwal**

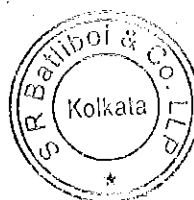
Partner

Membership Number: 055833

UDIN: 19055833AAAAAH4255

Place: Kolkata

Date: August 30, 2019





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF METRO DAIRY LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Metro Dairy Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

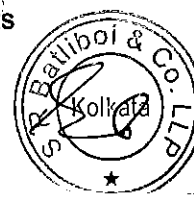
A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS 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 Over Financial Reporting With Reference to these Ind AS Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjay Agarwal**

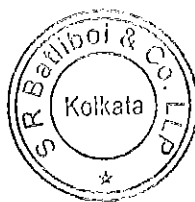
Partner

Membership Number: 055833

UDIN: 19055833AAAAAH4255

Place of Signature: Kolkata

Date: August 30, 2019



**METRO DAIRY LIMITED****Balance Sheet as at March 31, 2019***(All amounts are in INR Million, unless otherwise specified)*

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	1,723.90	1,140.21
(b) Capital Work-in-Progress	4a	78.20	51.18
(c) Financial assets			
(i) Other financial assets	5	19.84	21.72
(d) Other non-current assets	6	7.55	78.21
(e) Non-current tax assets (net)	7	15.95	15.94
<b>Total non-current assets</b>		<b>1,845.44</b>	<b>1,307.26</b>
<b>Current assets</b>			
(a) Inventories	8	211.56	291.46
(b) Financial assets			
(i) Investment	9	44.76	42.49
(ii) Trade receivables	10	16.53	0.28
(iii) Cash and cash equivalents	11	496.15	192.10
(iv) Bank balance other than (iii) above	12	-	170.00
(v) Other financial assets	13	6.73	1.57
(c) Other current assets	14	108.68	9.95
<b>Total current assets</b>		<b>884.41</b>	<b>707.85</b>
<b>Total assets</b>		<b>2,729.85</b>	<b>2,015.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	61.28	61.28
(b) Other equity		1,757.95	1,636.80
<b>Total equity</b>		<b>1,819.23</b>	<b>1,698.08</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	498.54	-
(ii) Other financial liabilities	17	25.34	19.75
(b) Deferred tax liabilities (net)	18	28.56	3.02
(c) Other non-current liabilities	19	4.90	6.17
<b>Total non-current liabilities</b>		<b>557.34</b>	<b>28.94</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	-	1.57
(ii) Trade payables			
(a) Total outstanding dues to micro, small and medium enterprises	21	22.33	20.15
(b) Total outstanding dues to creditors other than micro, small and medium enterprises	21	151.26	138.27
(iii) Other financial liabilities	22	40.78	12.00
(b) Other current liabilities	23	46.75	37.82
(c) Provisions	24	55.39	60.07
(d) Current tax liabilities (net)	25	36.77	18.21
<b>Total current liabilities</b>		<b>353.28</b>	<b>288.09</b>
<b>Total equity and liabilities</b>		<b>2,729.85</b>	<b>2,015.11</b>
Significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

In terms of our report attached of the even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

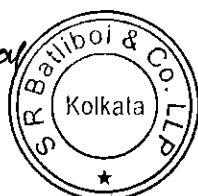
per Sanjay Agarwal

Partner

Membership No. 055833

Place: Kolkata

Date : 30th August, 2019

**For and on behalf of the Board of directors of  
Metro Dairy Limited**Mayank Jalan  
Chairman

[DIN:00598842]

Sumit Deb  
Director

[DIN:00524590]

Subrata Ganguly  
Company Secretary

S. Ganguly

**METRO DAIRY LIMITED****Statement of Profit and Loss for the year ended March 31, 2019***(All amounts are in INR Million, unless otherwise specified)*

Particulars		Note No.	For the Year ended 31st March 2019	For the Year ended 31st March 2018
<b>INCOME</b>				
<b>I</b>	Revenue from operations	26	3,300.96	3,372.43
<b>II</b>	Other income	27	9.28	17.12
<b>III</b>	<b>Total income (I+II)</b>		<b>3,310.24</b>	<b>3,389.55</b>
<b>IV EXPENSES :</b>				
	Cost of raw materials and packing materials consumed	28	2,397.90	2,589.78
	Changes in inventories of finished goods and work-in-progress	29	(18.10)	(5.52)
	Excise duty on sales		-	3.28
	Employee benefits expense	30	195.33	170.17
	Finance costs	31	20.73	4.70
	Depreciation	4	52.94	38.49
	Other expenses	32	467.34	412.27
	<b>Total expense (IV)</b>		<b>3,116.14</b>	<b>3,213.17</b>
<b>V</b>	<b>Profit / (loss) before tax (III-IV)</b>		<b>194.10</b>	<b>176.38</b>
<b>VI Income tax expenses/(credit):</b>				
	Current tax		47.63	67.70
	Deferred tax charge / (credit)		25.48	0.40
	Income tax for earlier years		(0.07)	(2.29)
	<b>Total tax expenses/(credit)</b>		<b>73.04</b>	<b>65.81</b>
<b>VII</b>	<b>Profit / (Loss) for the year (V-VI)</b>		<b>121.06</b>	<b>110.57</b>
<b>VIII Other comprehensive income / (loss) for the year</b>				
<b>Items that will not be subsequently reclassified to profit or loss</b>				
	(a) Re-measurement gains/(losses) on defined benefit obligations		0.14	(4.89)
	(b) Income tax effect on above		(0.05)	1.72
	<b>Total Other Comprehensive income/(loss) net of tax</b>		<b>0.09</b>	<b>(3.17)</b>
<b>IX</b>	<b>Total comprehensive income / (loss) for the year (VII+VIII)</b>		<b>121.15</b>	<b>107.40</b>
<b>X Earnings / (loss) per equity share [Nominal value of shares ₹10 (March 31, 2018: ₹10)] :</b>				
	<b>Basic and diluted</b>	33	19.76	18.04
<b>Significant accounting policies</b>		3		

The accompanying notes are an integral part of the financial statement.  
In terms of our report attached of the even date.

**For S. R. Batliboi & Co. LLP**

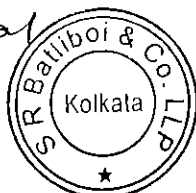
Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Sanjay Agarwal

Partner

Membership No. 55833

**For and on behalf of the board of directors of Metro Dairy Limited**

Mayank Jalan  
Chairman  
[DIN:00598842]

Sumit Deb  
Director  
[DIN:00524590]

Subrata Ganguly  
Company Secretary

Place: Kolkata

Date : 30th August, 2019

**METRO DAIRY LIMITED****Cash Flow Statement for the year ended March 31, 2019***(All amounts are in INR Million, unless otherwise specified)*

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	194.10	176.38
Adjustment to reconcile profit before tax to net cash flows:		
Interest income	(4.91)	(13.02)
Unspent liabilities written back	(0.92)	(0.34)
Depreciation	52.94	38.49
Finance costs	20.73	4.70
(Profit)/Loss on sale of investments	-	(0.40)
Gain on mark to market of investments	(2.27)	(2.09)
(Profit)/Loss on sale of property, plant and equipment	0.18	1.47
Deferred Government grant income	(1.17)	(1.27)
Provision for doubtful debts	-	0.24
<b>Operating profit before working capital changes</b>	<b>258.68</b>	<b>204.16</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in trade payables	16.11	8.73
Increase / (decrease) in other liabilities	28.11	(21.37)
Increase / (decrease) in provisions	(4.54)	13.99
(Increase) / decrease in inventories	79.91	(25.88)
(Increase) / decrease in trade receivables	(16.25)	(0.46)
(Increase) / decrease in other assets	(88.29)	(19.20)
	<b>15.05</b>	<b>(44.19)</b>
<b>Cash generated from operations</b>	<b>273.73</b>	<b>159.97</b>
Direct taxes paid (net of refunds)	(32.15)	(58.81)
<b>Net cash flow from operating activities (A)</b>	<b>241.58</b>	<b>101.16</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of fixed assets including CWIP and capital advances	(592.52)	(120.57)
Proceeds from sale of property, plant and equipment	(0.01)	-
Sale of investments	-	10.54
Investment in bank deposits (having original maturity of more than three months) [net]	170.00	(30.00)
Interest received	5.62	13.62
<b>Net cash flow used in investing activities (B)</b>	<b>(416.91)</b>	<b>(126.41)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from long-term borrowings	498.54	-
Proceeds from short-term borrowings	(1.57)	1.57
Finance costs	(17.59)	(4.70)
<b>Net cash flow from financing activities (C)</b>	<b>479.38</b>	<b>(3.13)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>304.05</b>	<b>(28.38)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>192.10</b>	<b>220.48</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>496.15</b>	<b>192.10</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks:		
On current accounts	108.83	189.49
On cash credit account	6.60	-
Fixed deposits with original maturity of less than three months	380.00	2.50
Cash on hand	0.72	0.11
<b>Total cash and cash equivalents (refer note 11)</b>	<b>496.15</b>	<b>192.10</b>

The accompanying notes are an integral part of the financial statement.  
In terms of our report attached of the even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

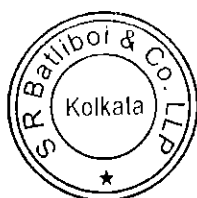
per Sanjay Agarwal

Partner

Membership No. 55833

Place: Kolkata

Date : 30th August, 2019



For and on behalf of the board of directors of  
Metro Dairy Limited

Mayank Jalan

Chairman

[DIN:00598842]

Sumit Deb

Director

[DIN:00524590]

Subrata Ganguly

Company Secretary

**METRO DAIRY LIMITED****Statement of Changes in Equity for the year ended March 31, 2019***(All amounts are in INR Million, unless otherwise specified)***A. Equity share capital**

Particulars	Numbers of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 1, 2017	6,127,600	61.28
As at March 31, 2018	6,127,600	61.28
Issued during the year	-	-
As at March 31, 2019	6,127,600	61.28

**B. Other equity**

Particulars	Reserves and Surplus		
	Retained Earnings	General Reserve	Total Reserves
Balance as at April 1, 2017	1,517.00	12.40	1,529.40
Profit for the year	110.57	-	110.57
Other comprehensive income / (loss) for the year			
Re-measurement gains/(losses) on defined benefit obligations [net of tax]	(3.17)	-	(3.17)
Balance as at March 31, 2018	1,624.40	12.40	1,636.80
Profit for the year	121.06	-	121.06
Other comprehensive income / (loss) for the year			
Re-measurement gains/(losses) on defined benefit obligations [net of tax]	0.09	-	0.09
Balance as at March 31, 2019	1,745.55	12.40	1,757.95

**Nature and purpose of reserves**

**General Reserve:** Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn.


The accompanying notes are an integral part of the financial statement.

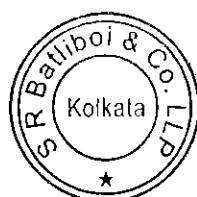
In terms of our report attached of the even date.

For S. R. Batliboi & Co. LLP

Chartered Accountants


ICAI Firm registration number: 301003E/E300005


  
per Sanjay Agarwal  
Partner  
Membership No. 55833




Place: Kolkata  
Date : 30th August, 2019

For and on behalf of the board of directors of  
Metro Dairy Limited

  
Mayank Jalan  
Chairman  
[DIN:00598842]

  
Sumit Deb  
Director  
[DIN:00524590]

  
Subrata Ganguly  
Company Secretary

# METRO DAIRY LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March 2019

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### 1. Corporate information

Metro Dairy Limited ('MDL' or 'the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its parent and ultimate holding company is Keventer Agro Limited. The registered office of the Company is located at 34/1, D H Road, West Bengal, Kolkata - 700027.

The Company is in the business of processing and marketing milk and milk products. The Company's plant at Barasat was set up under the Operation Flood (III) Programme, funded by the World Bank. It was a Joint Sector Company promoted by the West Bengal Co-operative Milk Producers' Federation Limited, an apex co-operative body of milk farmers, Keventer Agro Limited, a body corporate in the business of agro processing and National Dairy Development Board (NDDB), an internationally acclaimed dairy institution. Later on, NDDB and West Bengal Co-operative Milk Producers' Federation Limited have disposed their entire shares to Keventer Agro Limited.

These financial statements were approved for issue by the board of directors of the Company on 30<sup>th</sup> August, 2019.

### 2. Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other relevant provisions of the Act and other accounting principles generally accepted in India and the presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant III), as applicable to the financial statements.

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

These financial statements have been prepared under the historical cost convention on the accrual basis except the followings assets and liabilities which have been measured at fair value -

- Certain financial assets and liabilities which are measured at fair value/amortised cost
- Defined Benefit plans

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.





## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For other fair value related disclosures refer note no 39.

#### **Functional and presentational currency**

These Ind AS Financial Statements are prepared in Indian Rupee (INR) which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest million with two decimals.

#### **Current and Non-Current classification**

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

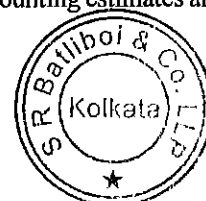
### **3. Summary of Significant Accounting Policies**

The Company has applied following policies to all periods presented in these Ind AS Financial Statements.

#### **3.1 Use of Estimates and Judgements**

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.



## METRO DAIRY LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2019

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are elaborated in note no. 43.

#### 3.2 (a) Property, plant and equipment

Property, plant and equipment and capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of duties (net of input tax credit), taxes and incidental expenses as well as erection / commissioning expenses and any attributable cost of bringing the asset to its working condition for its intended use. It includes the best available estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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 asset beyond its previously assessed standards 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 year in which such expenses are incurred.

As item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no further economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the estimated / actual disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

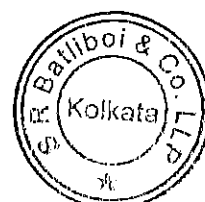
#### (b) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed.

#### 3.3 Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Class of Assets	Useful lives estimated by the management (years)
Factory Buildings	3 – 30
Plant and equipment	5 – 15
Electrical installations	10
Furniture and fixtures	10
Office equipments	3 – 5
Vehicles	8 – 10
Fibre reinforcement plastic (FRP) tanks	15



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

- Certain plant and equipment are depreciated over the estimated useful lives of 5 years and 10 years, respectively, which are lower than those indicated in schedule II.
- Certain portions of Factory building are depreciated over the estimated useful lives of 5 years, 10 years and 25 years, which are lower than those indicated in schedule II.

Leasehold land is amortised on a straight line basis over the period of lease, i.e., 99 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

#### **3.4 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### **3.5 Government grants and subsidies**

Government Grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant/subsidy will be received.

When the grant or subsidy from the Government relates to revenue, it is accrued and shown as income in the period in which the right to receive grant is established.

Government grant relating to the acquisition/construction of property, plant and equipment are included in non-current liabilities as deferred government grant and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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#### **3.6 Inventories**

Raw materials, packing materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the 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.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- Raw material and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Process stock and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
- Scrap is valued at estimated net realisable value.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

During this financial year, the Company has changed the method of valuation of inventory from FIFO to weighted average to align the policy followed by its holding Company, Keventer Agro Limited. The financial impact due to this change of accounting policy is not material.

#### **3.7 Revenue recognition**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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#### **Sale of goods**

Revenue from sale of goods is recognised when the Company has transferred to the retail franchisees/distributors the significant risks and rewards of ownership of the goods which generally coincides with delivery, it no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### **Interest**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition. Interest income is recognized using the effective interest rate (EIR) method.

### **3.8 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

##### *(i) Classification*

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### *(ii) Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recognised at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

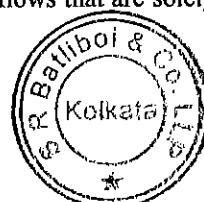
#### **Subsequent measurement**

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics.

#### *Debt instrument measured at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss.

#### *Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)*

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income.

#### *Debt instrument measured at Fair Value Through Profit or Loss (FVTPL)*

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial assets included within the FVTPL category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss. Company's current investments in mutual funds are measured at fair value through profit and loss.

#### *(iii) De-recognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### **Financial liabilities**

##### *(i) Classification*

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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#### *(ii) Initial recognition and measurement*

All financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

#### *Financial liabilities measured at Fair Value Through Profit or Loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

#### *Financial liabilities measured at amortised cost*

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method, unless at initial recognition, they are classified as fair value through profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### *Trade and other payables*

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

#### *(iii) De-recognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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#### **3.9 Impairment**

##### **Financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss if any.

##### **Non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) net selling price and its value in use. 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.





## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **3.10 Foreign currency transactions**

##### **Initial recognition**

Foreign currency transactions are recorded in the functional currency of the Company (i.e., INR) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

##### **Conversion**

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported in the Statement of Profit and Loss.

##### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

#### **3.11 Retirement and other employee benefits**

##### **(i) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

For presentation in the Balance Sheet Schedule III requires the entire leave to be presented as a current liability, since the company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

##### **(ii) Post-employment benefits**

- **Defined contribution plan**

Retirement benefits in the form of provident and family pension funds are defined contribution plans and the contributions are charged to the Statement of Profit and Loss for the year when the contribution are due. The Company has no obligation, other than the contribution payable to the provident fund.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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- **Defined benefit plans – Gratuity**

The Company has a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee’s last drawn salary and the number of years of employment with the Company. Presently the Company has a funded gratuity plan.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognized in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Remeasurements of the net defined benefit liability/asset comprise:

- actuarial gains and losses;
- the return on plan assets, excluding amounts included in net interest on the net defined benefit liability/asset; and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

### **3.12 Taxation**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases, the tax is also recognised directly in equity or in other comprehensive income.

#### **Current tax**

Current tax is the amount of tax payable on the taxable income for the year, determined in accordance with the provisions of the Income Tax Act, 1961.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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#### **Deferred tax**

Deferred tax is provided using the balance sheet method on deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are generally recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses being carried forward, to the extent that it is probable that taxable profits will be available in future against which those deductible temporary differences and tax losses can be utilized, except:

- When deferred tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

#### **3.13 Segment reporting**

The Company is engaged in the business of manufacture and sale of milk and milk products mainly in West Bengal. Accordingly, the Company has only one business segment namely milk and milk products and only one reportable geographic segment i.e. West Bengal.

The segment has been identified and reported taking into account nature of products, the different risks and returns and the internal business reporting systems which are reviewed by the Chief Operating Officer of the Company (Chief Operating Decision Maker).

#### **3.14 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **3.15 Provisions and Contingencies**

A Provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made 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 embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

#### **3.16 Cash and cash equivalents**

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### **3.17 Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **3.18 Financial guarantees**

Financial guarantees issued by the Company on behalf of the holding companies is designated as 'Insurance Contracts'. The Company assesses at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the statement of profit and loss.

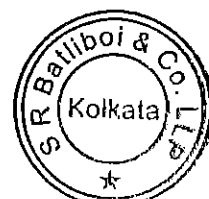
#### **3.19 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **3.20 Changes in accounting policies and disclosures**

##### **New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the said new accounting standards is described below.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

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Several other amendments and interpretations apply for the first time in 2018-2019, but do not have any significant impact on the Ind AS financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to contracts that are not completed as at 1 April 2018.

There was no material impact on the Ind AS financial statements of the Company on application of this new standard.

#### **3. 21 Standards issued but not yet made effective by the Ministry of Corporate Affairs**

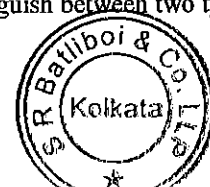
The following standard have been issued but are not yet effective up to the date of issuance of the Company's Financial Statements. Except specifically disclosed below, the Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

##### **1. Ind AS 116 – Lease**

Ind AS 116 Leases was notified in 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.



## **METRO DAIRY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2019**

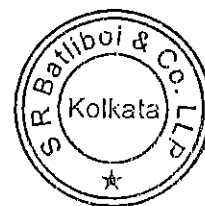
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Transition to Ind AS 116 is not expected to have a material effect on the Company's Financial Statements.

#### **2. Amendments to Standards**

**The following amendments are applicable to the Company from April 01, 2019. The impacts of these are currently expected to be immaterial:**

Appendix C to Ind AS 12, Income taxes  
Amendments to Ind AS 103, Business Combinations  
Amendments to Ind AS 109, Financial Instruments  
Amendments to Ind AS 111, Joint Arrangements  
Amendments to Ind AS 19, Employee Benefits  
Amendments to Ind AS 23, Borrowing Costs  
Amendments to Ind AS 28, Investments to Associates and Joint Ventures



# **METRO DAIRY LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Million, unless otherwise specified)

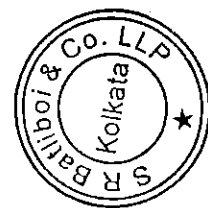
## **4: Property, Plant and Equipment**

Particulars	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and equipment	Electrical installations	Furniture and fixtures	Office equipments	Vehicles	Crates and pallets	Fibre reinforcement plastic (FRP) tanks	Grand total
Gross block												
Cost as at April 1, 2017	45.70	864.79	193.06	3.45	609.46	42.79	5.10	5.71	3.17	0.78	4.29	1,778.30
Additions	-	-	1.32	-	29.73	-	0.05	1.28	0.01	-	-	32.39
Disposals/adjustments	-	-	-	(3.45)	(11.18)	(2.90)	(0.77)	(0.28)	-	(0.24)	(0.15)	(18.97)
As at March 31, 2018	45.70	864.79	194.38	-	628.01	39.89	4.38	6.71	3.18	0.54	4.14	1,791.72
Additions	-	-	117.93	-	488.03	23.53	0.28	2.98	1.88	2.20	-	636.83
Disposals/adjustments	-	-	-	-	(0.96)	-	-	(0.02)	-	-	(0.44)	(1.42)
As at March 31, 2019	45.70	864.79	312.31	-	1,115.08	63.42	4.66	9.67	5.06	2.74	3.70	2,427.13
Accumulated depreciation												
As at April 1, 2017	-	11.41	83.29	3.28	493.36	25.75	2.74	4.48	1.39	0.78	4.04	630.52
Charge for the year	-	11.44	7.68	-	15.86	2.14	0.33	0.64	0.34	-	0.06	38.49
Disposals/adjustments	-	-	-	(3.28)	(10.42)	(2.82)	(0.33)	(0.27)	-	(0.24)	(0.14)	(17.50)
As at March 31, 2018	-	22.85	90.97	-	498.80	25.07	2.74	4.85	1.73	0.54	3.96	651.51
Charge for the year	-	11.44	9.05	-	27.77	2.81	0.25	1.09	0.32	0.18	0.03	52.94
Disposals/adjustments	-	-	-	-	(0.80)	-	-	-	-	-	(0.42)	(1.22)
As at March 31, 2019	-	34.29	100.02	-	525.77	27.88	2.99	5.94	2.05	0.72	3.57	703.23
Net block												
As at March 31, 2018	45.70	841.94	103.41	-	129.21	14.82	1.64	1.86	1.45	-	0.18	1,140.21
As at March 31, 2019	45.70	830.50	212.29	-	589.31	35.54	1.67	3.73	3.01	2.02	0.13	1,723.90

For charge details against Property, plant and equipment, refer note no. 16

## **4a. Capital work-in-progress**

Assets Name	Opening CWIP as on 01.04.18	Addition	Capitalisation	Closing CWIP as on 31.03.19
Building	4.38	101.70	105.75	0.34
Plant & Machinery	21.34	491.57	440.32	72.59
Other Assets	25.45	58.13	78.31	5.28
Gross Total=>	51.18	651.40	624.38	78.20



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)***5 Financial assets - Non-Current : Others**

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	19.84	21.72
<b>Total</b>	<b>19.84</b>	<b>21.72</b>

For details of classification of financial assets and fair value hierarchy refer note no. 38 &amp; 39

**6 Other non-current assets**

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	6.95	63.18
Prepaid expenses	0.60	0.35
Unamortised Ancillary Borrowing Costs*	-	14.68
<b>Total</b>	<b>7.55</b>	<b>78.21</b>

\* Paid for the pupose of term loan which was sanctioned in the previous financial year for the purpose of Ultra heat treatment (UHT) Milk Project in Barasat. Proceeds of this loan has been received in the current financial year. In the current year, unamortised ancillary borrowing cost has been reduced from borrowings (refer note no. 16)

**7 Non-current tax assets (net)**

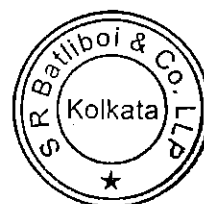
Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provisions)	15.95	15.94
<b>Total</b>	<b>15.95</b>	<b>15.94</b>

**8 Inventories**

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	95.21	209.77
Packing materials	31.51	19.82
Work-in-progress	16.68	15.82
Finished goods (including in transit ₹1.87 Mil (March 31, 2018 : ₹Nil))	44.77	27.53
Stores and spares	23.26	18.46
Scrap	0.13	0.06
<b>Total</b>	<b>211.56</b>	<b>291.46</b>

1) For Lien / charge details against inventories, refer note no. 20

2) For mode of valuation for each class of inventories, refer note no. 3





**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)***9 Financial assets - Current : Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments carried at fair value through the statement of profit and loss:</b>		
<b>Investments in Mutual Funds (Unquoted)</b>		
HDFC credit risk debt fund - regular plan (growth)	22.99	10.82
HDFC short term plan - growth*	-	10.85
Reliance dynamic bond fund (growth)	10.90	10.28
UTI dynamic bond fund (growth)	10.87	10.54
<b>Total</b>	<b>44.76</b>	<b>42.49</b>
<b>Aggregate book value and market value of Unquoted investments</b>	<b>44.76</b>	<b>42.49</b>

For details of classification of financial assets and fair value hierarchy refer note no. 38 &amp; 39

\* HDFC short term plan - growth has been merged with HDFC credit risk debt fund - regular plan (growth) w.e.f. May 8, 2018

**10 Financial assets - Current : Trade receivables  
(at amortised cost)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade receivables</b>		
- Receivables from related parties (refer note 40)	0.51	-
- Others	16.02	-
<b>Total trade receivables</b>	<b>16.53</b>	<b>-</b>
<b>Breakup for security details :</b>		
- Trade receivables considered good - secured*	1.60	-
- Trade receivables considered good - unsecured	14.93	0.28
- Trade receivables - credit impaired	0.40	0.40
	16.93	0.68
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
- Allowance for expected credit loss	(0.40)	(0.40)
<b>Total trade receivables</b>	<b>16.53</b>	<b>0.28</b>

For details of classification of financial assets and fair value hierarchy refer note no. 38 &amp; 39

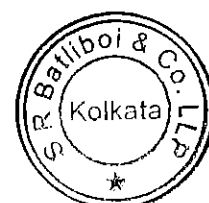
\* Receivables are secured against security deposits taken from the customers.

**11 Financial assets - Current : Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance with banks:</b>		
-On current accounts	108.83	189.49
-On cash credit account	6.60	-
Cash on hand	0.72	0.11
Deposits with original maturity of less than 3 months	380.00	2.50
Unpaid dividend account*	-	-
<b>Total</b>	<b>496.15</b>	<b>192.10</b>

For details of classification of financial assets and fair value hierarchy refer note no. 38 &amp; 39

\* Actual amount of unpaid dividend account : ₹ 73/- (March 31, 2018: ₹ 33/-)



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)***12 Financial assets - Current : Other bank balances**

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity for more than three months but less than 12 months	-	170.00
<b>Total</b>	<b>-</b>	<b>170.00</b>

For details of classification of financial assets and fair value hierarchy refer note no. 38 &amp; 39

**13 Financial assets - Current : Others**

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on deposits	0.83	1.54
Others	5.90	0.03
<b>Total</b>	<b>6.73</b>	<b>1.57</b>

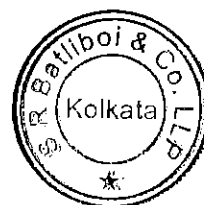
For details of classification of financial assets and fair value hierarchy refer note no. 38 &amp; 39

**14 Other current assets**

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	2.66	1.99
Loan to employees	0.80	-
Unamortised Ancillary Borrowing Costs *	-	1.69
Advances recoverable in cash or in kind	14.01	0.51
Balance with statutory / government authorities	91.21	5.76
<b>Total</b>	<b>108.68</b>	<b>9.95</b>

\* Refer note no.6



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)***15 Share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised shares</b>				
16,000,000 equity shares of ₹10/- each (March 31, 2018: 16,000,000 equity shares of ₹10/- each)	16,000,000	160.00	16,000,000	160.00
<b>Issued, subscribed and fully paid up shares</b>				
6,127,600 equity shares of ₹10/- each (March 31, 2018: 6,127,600 equity shares of ₹10/- each)	6,127,600	61.28	6,127,600	61.28

**i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity shares	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount(₹)	No. of shares	Amount(₹)
Equity shares outstanding at the beginning of the year	6,127,600	61,276,000	6,127,600	61,276,000
Equity shares outstanding at the end of the year	6,127,600	61,276,000	6,127,600	61,276,000

**ii) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

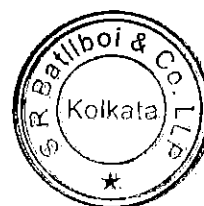
**iii) Shares held by holding / ultimate holding Company and / or their subsidiaries / associates.**

Name of holding company	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount(₹)	No. of shares	Amount(₹)
Keventer Agro Limited	6,127,580	61,275,800	6,127,580	61,275,800

**iv) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹10/- each fully paid Keventer Agro Limited, holding Company	6,127,580	99.9997%	6,127,580	99.9997%

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.



**METRO DURY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)***16 Financial liabilities - Non-current : Borrowings***(Secured)*

Particulars	As at March 31, 2019	As at March 31, 2018
Term loan from banks	524.37	-
Less: Unamortised ancillary borrowing costs	(16.93)	-
Less: current maturities of long term borrowings	(8.90)	-
<b>Total</b>	<b>498.54</b>	<b>-</b>

For details of classification of financial liabilities and fair value hierarchy refer note no.38 &amp; 39

For UHT milk project two term loans were taken during this financial year 2018-19. One term loan was taken from ICICI Bank Ltd. (₹275.00 million which carries interest at the rate of 0.10% over I-MCLR-1Y and repayable in 22 equal quarterly installments at the end of each quarter starting at the end of 27 months from the date of first disbursement i.e. June 28, 2018). The other term loan was taken from Kotak Mahindra Bank (₹247.80 million which carries interest at the rate of 0.20% over K-MCLR-3M and repayable in 20 equal quarterly installments at the end of each quarter starting at the end of 7th quarter from the date of first disbursement i.e. June 8, 2018).

Both the above term loan are secured by equitable mortgage of leasehold and freehold rights of the land situated at Company's Barasat plant through IDBI Trusteeship Services Ltd., as security trustee, as well as first Pari Passu charge on the entire movable and immovable fixed assets of the Company except Malda plant. In addition, the Chairman of the company had provided unconditional irrevocable personal guarantee.

Two car loan were taken during this financial year 2018-19 from ICICI Bank Ltd. (₹1.01 million carrying fixed interest @ 9% p.a. and ₹0.55 million carries fixed interest @ 9.15% p.a., both payable at 48 monthly installments). The aforesaid vehicles are hypothecated with ICICI Bank Ltd.

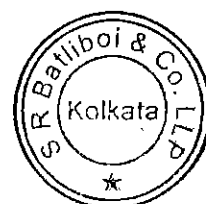
**17 Financial liabilities - Non-current : Other**

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits from distributor / dealer	25.34	19.75
<b>Total</b>	<b>25.34</b>	<b>19.75</b>

For details of classification of financial liabilities and fair value hierarchy refer note no.38 &amp; 39

**18 Deferred tax liabilities (net)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Deferred tax assets :</b>		
Tax impact of expenses allowable against taxable income in future	18.84	16.41
<b>(b) Deferred tax liabilities :</b>		
Tax impact arising out of temporary differences in depreciable assets	45.65	18.48
Tax impact of income taxable future	1.75	0.95
<b>Deferred tax liabilities (net)</b>	<b>28.56</b>	<b>3.02</b>



**METRO DURY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)*

18a	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A)	<b>Amount recognised in the Statement of Profit and Loss</b>		
	Current Tax	47.63	67.70
	Deferred Tax	25.48	0.40
	<b>Total - A</b>	<b>73.11</b>	<b>68.10</b>
(B)	<b>Amount recognised in Other Comprehensive Income</b>		
	Deferred Tax		
	Remeasurements on post-employment defined benefit plan	(0.05)	1.72
	<b>Total income tax benefit recognised in other comprehensive income</b>		
(C)	<b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
	Accounting Profit / (Loss) before Tax	194.10	176.38
	At India's Statutory Income Tax Rate of 34.944% (March 31, 2018: 34.608%)	67.83	61.04
	Expenses not allowed as deductions	5.21	4.77
	Adjustment relating to earlier years	0.07	2.29
	<b>Tax Expense as disclosed above in A</b>	<b>73.11</b>	<b>68.10</b>

**19 Other non-current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred government grants	4.90	6.17
<b>Total</b>	<b>4.90</b>	<b>6.17</b>

Government grants are received for the purpose of acquisition of specific / class of assets and the said grants were fully utilised and are amortised over the remaining useful life of the assets.

**20 Financial liabilities - Current : Borrowing**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Loans Repayable on Demand (Secured)</b>		
Cash credit from bank	-	1.57
<b>Total</b>	<b>-</b>	<b>1.57</b>

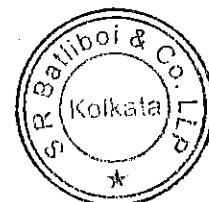
For details of classification of financial liabilities and fair value hierarchy refer note no.38 & 39

Cash credit from bank is secured by first charge by way of hypothecation of the Company's entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks. Interest rate p.a. : 1% over I-MCLR-6M.

**21 Financial liabilities - Current : Trade payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Micro and small enterprises (refer note no. 21.1)	22.33	20.15
Others	151.26	138.27
<b>Total</b>	<b>173.59</b>	<b>158.42</b>

For details of classification of financial liabilities and fair value hierarchy refer note no.38 & 39



**METRO DURY LIMITED****Notes to financial statements for the year ended 31st March 2019***(All amounts are in INR Million, unless otherwise specified)***21.1 Information in terms of Section 22 of Micro, Small and Medium enterprises development act, 2006 are given below:**

Particulars	As at March 31, 2019	As at March 31, 2018
a) The principal amount and interest due thereon remaining unpaid to any supplier	22.33	20.15
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>22.33</b>	<b>20.15</b>

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

**22 Financial liabilities - Current : Others**

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings	8.90	-
Capital creditors	16.74	1.64
Employee liabilities	12.11	9.53
Interest on term loan accrued but not due	1.58	-
Other payables	1.45	0.83
Investor education and protection fund (IEPF) *	-	-
<b>Total</b>	<b>40.78</b>	<b>12.00</b>

For details of classification of financial liabilities and fair value hierarchy refer note no.38 & 39

\* Actual amount of Investor education and protection fund (IEPF) : ` 73/- (March 31, 2018: ` 33/-)

**23 Other current liabilities**

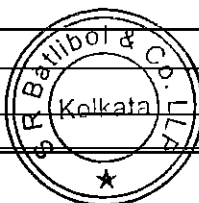
Particulars	As at March 31, 2019	As at March 31, 2018
Deferred government grants	1.37	1.27
Contract liability - advances from customers	31.74	30.20
Statutory liabilities	13.64	6.35
<b>Total</b>	<b>46.75</b>	<b>37.82</b>

**24 Short-term provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Provision for employee benefits</b>		
-Provision for gratuity (refer note no.35)	11.56	15.90
-Provision for leave benefits	43.83	44.17
<b>Total</b>	<b>55.39</b>	<b>60.07</b>

**25 Current tax liabilities (net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax liabilities (net of advances)	36.77	18.21
<b>Total</b>	<b>36.77</b>	<b>18.21</b>



**METRO DAIRY LIMITED****Notes to financial statements for the year ended March 31, 2019***(All amounts are in INR Million, unless otherwise specified)***26 Revenue from operations**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Sale of products	3,295.24	3,366.82
Other operating revenue		
Scrap sales	0.76	0.84
Miscellaneous income	4.96	4.77
<b>Revenue from operations</b>	<b>3,300.96</b>	<b>3,372.43</b>

Sale of products includes excise duty collected from customer of ₹ Nil (March 31, 2018 ₹3.28 million). Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, Revenue is disclosed net of GST as per requirement of Ind AS 115 'Revenue from Contracts with Customers'.

**26.1 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Revenue as per contracted price	3,328.04	3,378.37
Adjustments		
- Sales return	(7.15)	(5.05)
- Discount	(25.65)	(6.50)
<b>Revenue from operations</b>	<b>3,295.24</b>	<b>3,366.82</b>

**27 Other income**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Interest :		
-Bank deposits	3.69	7.39
-Security deposits	1.22	1.34
-Others	-	4.29
Net Gain on sale of Current Investments measured at fair value through Profit or Loss	-	0.40
Unspent liabilities written back	0.92	0.34
Deferred Government Grant income *	1.18	1.27
Fair value gain on mark to market of current investments	2.27	2.09
<b>Total</b>	<b>9.28</b>	<b>17.12</b>

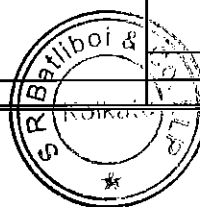
\* Amortisation of Government Grants on the basis of the useful life of related assets.

**28 Cost of raw materials and packing materials consumed**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
<b>Raw materials</b>		
Inventory at the beginning of the year	209.77	185.13
Add: purchases	2,144.40	2,487.60
	2,354.17	2,672.73
Less: scrap sales	1.30	1.09
Less: inventory at the end of the year	95.21	209.77
<b>Raw materials consumed</b>	<b>2,257.66</b>	<b>2,461.87</b>
<b>Packing materials</b>		
Inventory at the beginning of the year	19.82	22.70
Add: purchases	152.57	125.67
	172.39	148.37
Less: scrap sales	0.64	0.64
Less: inventory at the end of the year	31.51	19.82
<b>Packing materials consumed</b>	<b>140.24</b>	<b>127.91</b>
<b>Total</b>	<b>2,397.90</b>	<b>2,589.78</b>

**29 Changes in inventories of finished goods and work-in-progress**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
<b>Inventories at the end of the year</b>		
Finished goods	44.77	27.53
Work-in-progress	16.68	15.82
	61.45	43.35
<b>Inventories at the beginning of the year</b>		
Finished goods	27.53	26.31
Work-in-progress	15.82	11.52
	43.35	37.83
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>(18.10)</b>	<b>(5.52)</b>



**METRO DAIRY LIMITED****Notes to financial statements for the year ended March 31, 2019***(All amounts are in INR Million, unless otherwise specified)***30 Employee benefits expense**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	164.57	140.16
Contribution to provident and other funds	12.68	10.48
Gratuity expense (refer note no. 37)	5.51	10.47
Staff welfare expenses	12.57	9.06
<b>Total</b>	<b>195.33</b>	<b>170.17</b>

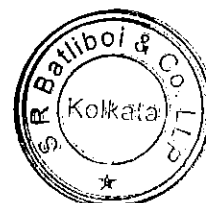
**31 Finance costs**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Interest expenses	18.73	3.28
Other borrowing costs	2.00	1.42
<b>Total</b>	<b>20.73</b>	<b>4.70</b>

**32 Other expenses**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Consumption of stores and spares	12.46	9.09
Security service charges	19.13	18.81
Contract staffing services	0.19	11.48
Processing charges	15.00	12.91
Packaging and forwarding charges	39.77	56.70
Increase / (decrease) in excise duty on finished goods	-	(0.54)
Power and fuel	109.30	90.13
Freight and forwarding charges #	135.54	100.89
Rent	4.23	7.31
Rates and taxes	2.45	0.82
Insurance	1.54	1.49
Repairs and maintenance :		
-Plant and machinery	16.79	16.89
-Buildings	8.50	6.96
-Others	4.67	2.31
C.S.R. expenditure (refer note no 32.1)	1.49	-
Advertising and sales promotion	68.09	50.13
Travelling and conveyance	10.98	6.18
Communication costs	1.59	0.81
Printing and stationery	0.88	0.72
Legal and professional fees	5.31	9.84
Directors' sitting fees	0.40	0.83
Payment to auditor (refer note no. 32.2)	1.49	1.49
Provision for doubtful debts	-	0.24
Loss on sale / discard of fixed assets (net)	0.18	1.47
Bank charges	1.16	0.62
Miscellaneous expenses	6.20	4.69
<b>Total</b>	<b>467.34</b>	<b>412.27</b>

# During the current year, the Company has received a demand from Employees' Provident Fund organisation in connection with employees of distributing agent. Consequently, the Company has accounted for ₹6.50 millions.





**METRO DAIRY LIMITED**

Notes to financial statements for the year ended March 31, 2019

(All amounts are in INR Million, unless otherwise specified)

**32.1 Details of C.S.R. expenditure**

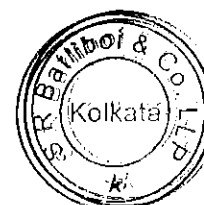
Particulars	Year ended	
	March 31, 2019	March 31, 2018
a) Gross amount required to be spent by the Company during the year	8.44	5.77
I) Amount spent during the year ending on 31st March, 2019:	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	1.49	-
ii) On purposes other than (i) above	-	-
II) Amount spent during the year ending on 31st March, 2018:	In cash	Yet to be paid in cash
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

**32.2 Payment to auditor**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
As auditor :		
-Audit fees	1.00	1.00
-Tax audit fees	0.25	0.20
In other capacity:		
-Other services	-	0.05
Reimbursement of expenses	0.05	0.03
Reimbursement of Goods and service tax / Service tax	0.19	0.21
<b>Total</b>	<b>1.49</b>	<b>1.49</b>

**32.3 Property, plant and equipments and Capital work-in-progress includes following expenditure capitalised during the year**

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Technical consultancy fees	25.00	25.40
Finance cost	14.67	-
Employee benefits expense	6.45	-
Cost of raw & packing materials consumed	2.64	-
Legal and professional fees	2.93	-
Power and fuel	2.10	-
Others	1.95	0.06
<b>Expenditure</b>	<b>55.74</b>	<b>25.46</b>



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019****33. Earnings Per Share (EPS)**

The Company has not issued any potential dilutive instrument.

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Profit/(Loss) after tax for the year (₹ in Million)	121.06	110.57
(b) Weighted average number of equity shares for calculating basic and diluted EPS	6,127,600	6,127,600
(c) Nominal value per Equity Share (in ₹)	10.00	10.00
(d) Basic and diluted earnings per share (in ₹)	19.76	18.04

**34. Contingent Liabilities and Commitments****A. Contingent Liabilities**

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Income tax demand under dispute / appeal*	27.53	22.65

The Company has filed appeal against the income tax demand of ₹8.60 million (March 31, 2018: ₹7.46 million), which is included above, raised by Income Tax authorities relating to disallowance of leave benefit expenses under section 43B(f) of the Income Tax Act, 1961 on the ground that same is allowed on cash basis and not on accrual basis. The Company has claimed this expenditure on accrual basis in view of Supreme courts decision in the case of Bharat Earth Movers vs CIT. In the event of the Company paying the demand amount in future, it will be entitled to claim this expenditure in income tax on payment basis.

\* Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above mentioned matters and hence no provision there against is considered necessary.

**(b) Other cases for which the Company is contingently liable :**

The District Land and Land Reforms Department, North 24 Parganas, Government of West Bengal, had demanded a sum of ₹5.54 million (March 31, 2018: ₹5.54 million) in the year 1998-1999 for lease rent, interest and cess etc. relating to the period 1992-1998 on leasehold land at Barasat, West Bengal.

The Company has filed a writ petition with Hon'ble High Court, Calcutta against the said demand and has obtained an interim stay order there against. Further, no affidavit – in – opposition has been filed on behalf of the state of West Bengal till date.

The Company has also been legally advised that the possibility of payment of arrears of lease rent, interest and cess etc. is remote. Accordingly, no liability there against has been considered necessary by the management. Liability as at 31st March, 2019, if any, in this regard is presently not ascertainable and will be considered based on decision on the writ petition by the Hon'ble High Court, Calcutta.

**(c) Provident fund**

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

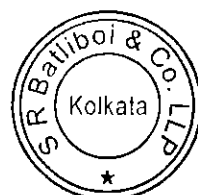
**B. Commitments:**

(₹ in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance)	66.90	422.77

**C. Guarantee:**

The Company has given a Corporate guarantee, on behalf of Keventer Agro Limited, to Yes Bank Limited towards overall credit facilities of Rs.800 Million sanctioned by the bank to Keventer Agro Limited.



**METRO DAIRY LIMITED**

Notes to financial statements for the year ended 31st March 2019

**35 Employee Benefits Obligation****(I) Defined benefit plans****Gratuity**

The Company has a defined employee benefit plan in the form of gratuity. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of Payment of Gratuity Act, 1972. The trustees of the gratuity scheme have entrusted the administration of the scheme to the Life Insurance Corporation of India.

**A Principal assumptions used in determining gratuity obligations for the Company's plans are as follows:**

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.43%	7.65%
Expected rate of return on assets	7.65%	7.18%
Rate of increase in salaries	8.00%	8.00%
Expected average remaining working lives of employees (years)	18.06	15.47
Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Withdrawal rate (rates per thousand)	Upto 40 years - 4.2 40 years and above - Nil	Upto 40 years - 4.2 40 years and above - Nil
Early retirement and disability (rates per thousand)	40-54 years - 1.8 55-57 years - 2.2	40-54 years - 1.8 55-57 years - 2.2

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**B Details of Actuarial Valuation carried out on balance sheet date are as under:**

Amounts Recognised in the Balance Sheet consists of:

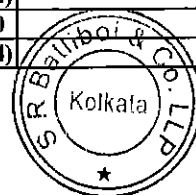
Particulars	₹ in Millions	
	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the year end	63.84	56.65
Fair value of plan assets at the year end	52.28	40.75
Net liability/(asset) recognised in the Balance Sheet	11.56	15.90

Amount recognised in the Statement of Profit and Loss in respect of gratuity scheme are as follows:

Particulars	₹ in Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	4.66	3.78
Net Interest on net defined benefit obligation	0.85	0.20
Past Service cost	-	6.49
Employee benefit cost recognised in profit or loss	5.51	10.47
Actual return on plan assets	3.33	2.81

Amount recognised in the Statement of comprehensive income are as follows:

Particulars	₹ in Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Components of defined benefit costs recognised in other comprehensive income</b>		
-Actuarial (gains)/losses arising from changes in financial assumptions	1.29	7.58
-Actuarial (gains)/losses arising from changes in experience adjustments	(1.52)	(2.56)
-(Gain)/Loss on plan assets (excluding amounts included in net interest cost)	0.10	(0.12)
Re-measurement of the net defined benefit obligation	(0.14)	4.89



**METRO DAIRY LIMITED**

Notes to financial statements for the year ended 31st March 2019

The movement during the year of the present value of the defined benefit obligations was as follows:

(₹ in Million)

Particulars	2018-19	2017-18
Present value of defined benefits obligation at the beginning of the year	56.65	41.95
Current service cost	4.66	3.78
Interest cost	4.28	2.89
Past Service cost	-	6.49
Benefits paid	(1.52)	(3.47)
Actuarial losses / (gains) on obligation	(0.24)	5.02
Present value of defined benefits obligation at the end of the year	63.84	56.65

Movement during in the fair value of plan assets was as follows:

(₹ in Million)

Particulars	2018-19	2017-18
Fair value of plan assets at the beginning of the year	40.75	36.99
Interest income on plan assets	3.43	2.69
Contributions by employer	9.71	4.41
Benefits paid	(1.52)	(3.47)
(Gain)/Loss on plan assets (excluding amounts included in net interest cost)	(0.10)	0.12
Fair value of plan assets at the end of the year	52.28	40.75

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2019	As at April 1, 2018
Investments with insurer - Life Insurance Corporation of India	100.00%	100.00%

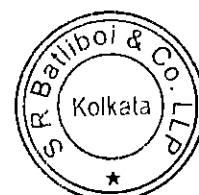
**C Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Million)

Particulars	As at March 31, 2019	As at April 1, 2018
<b>Discount rate</b>		
Increased by 1%	58.28	51.53
Decreased by 1%	70.21	62.54
<b>Salary escalation rate</b>		
Increased by 1%	69.59	62.17
Decreased by 1%	58.43	51.57
<b>Withdrawal rate</b>		
Increased by 50%	63.81	56.63
Decreased by 50%	63.87	56.67
<b>Mortality rate</b>		
Increased by 10%	63.83	56.65
Decreased by 10%	63.85	56.66

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet. The methods and type of assumptions used in preparing the sensitivity analysis did not change compared to prior period.



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019****D Risk analysis**

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

**Credit risk:** If the scheme is insured and fully funded on PUC basis there is a credit risk to the extent the insurer(s) is/ are unable to discharge their obligations including failure to discharge in timely manner.

**Pay-as-you-go risk:** For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.

**Discount rate risk:** The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

**Liquidity risk:** This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (or it could be due to insufficient assets/cash).

**Salary growth risk:** The Scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation, actual scheme cost and hence the value of the liability will be higher than that estimated.

**Demographic risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Regulatory risk:** Gratuity benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended upto-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹20,00,000, raising accrual rate from 15/26 etc.)

**Life expectancy / longevity risks:** The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2006-08) modified Ult. and LIC a (96-98) ultimate is used for during the employment and post retirement period respectively. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Presentation in the Statement of Profit and Loss, Other Comprehensive Income and Balance Sheet**

Gratuity is in the nature of defined benefit plan and re-measurement gains/(losses) on defined benefit plans are shown under OCI as 'Items that will not be reclassified to profit or loss', including the income tax effect on the same.

Leave encashment expense is in the nature of other long-term benefit and re-measurement gains/(losses) on other long-term benefits are immediately recognised in in the Statement of Profit and Loss.

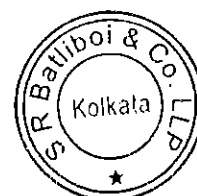
Expense for service cost, net interest on net defined benefit liability/(asset) is recognised in the Statement of Profit and Loss.

Ind AS 19 does not require segregation of net defined liability/(asset) into current and non-current, however net defined liability/(asset) is bifurcated into current and non-current portions in the balance sheet, as per Ind AS 1 on "Presentation of Financial Statements".

**(II) Defined contribution plans**

Expenditure in respect of the Company's obligation towards defined contribution scheme:

(₹ in Million)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to provident fund during the year	11.64	9.67



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019****36 Financial risk management****Financial risk factors**

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include security deposits, investment in mutual funds, trade receivables and cash and bank balances that arise directly from its operations. The Company is exposed to market risk, interest rate risk, commodity price risk, credit risk and liquidity risk. In order to minimise any adverse effect on the financial performance of the Company, the Company has risk management policies as described below:

**A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. The Company has investment in mutual funds and fixed deposits. The Company's investments are held in mutual fund schemes of leading fund houses. The tenure of investment in mutual funds is relatively short and hence the movement in market prices do not pose any significant price risk.

Fixed Deposits are held with highly rated banks and generally have a short tenure and are not subject to interest rate volatility.

**B) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. Any changes in the interest rates environment may impact future cost of borrowings.

The following table demonstrates the fixed and floating rate borrowings of the Company:

Particulars	(₹ in Million)	
	As at March 31, 2019	As at March 31, 2018
Floating rate borrowings	522.80	1.57
Fixed rate borrowings	1.56	-

**C) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables, deposits with banks and investment in mutual funds.

**i) Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. The outstanding customer receivables are regularly monitored by the management.

The Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent.

The ageing of trade receivables is as follows:

Trade Receivables	(₹ in Million)	
	As at March 31, 2019	As at March 31, 2018
Less than 30 days	16.34	-
31 to 90 days	-	0.28
91 to 180 days	0.19	-
More than 180 days	-	-
<b>Total</b>	<b>16.53</b>	<b>0.28</b>

**ii) Deposits with banks and other financial instruments**

The Company considers factors such as track record, market reputation and service standards to select the mutual funds for investments and banks with which balances and deposits are maintained.

**D) Commodity Price Risk**

The Company is affected by price volatility of its key raw materials and packing materials. Its operating activities requires a continuous supply of the key material.

The Company's procurement department continuously monitors the fluctuation in price and take necessary action to minimise its price risk exposure.

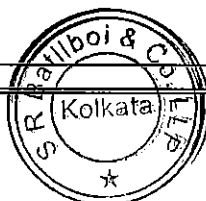
**E) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities.

Particulars	(₹ in Million)	
	As at March 31, 2019	As at March 31, 2018
<b>Less than 1 year</b>		
Borrowings	-	1.57
Trade Payables	173.59	158.42
Other Financial Liabilities	40.78	12.00
	<b>214.37</b>	<b>171.99</b>
<b>More than 1 year</b>		
Borrowings	498.54	-
Other Financial Liabilities	25.34	19.75
	<b>523.88</b>	<b>19.75</b>
<b>Total</b>	<b>738.25</b>	<b>191.74</b>



**METRO DAIRY LIMITED**
**Notes to financial statements for the year ended 31st March 2019**
**37 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value.

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of borrowed funds and internal fund generation.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is defined as current and non-current borrowings (including current maturities of long term debt and interest accrued) less cash and cash equivalents and short term investments.

The following table summarises the capital of the Company:

Particulars	(₹ in Million)	
	As at March 31, 2019	As at March 31, 2018
Share capital	61.28	61.28
Other equity	1,757.95	1,636.80
<b>Equity (A)</b>	<b>1,819.23</b>	<b>1,698.08</b>
Cash and cash equivalents	496.15	192.10
Current investments	44.76	42.49
Other bank balances	-	170.00
<b>Total cash (B)</b>	<b>540.91</b>	<b>404.59</b>
Short-term borrowings	-	1.57
Long-term borrowings	498.54	-
Current maturity of long term borrowings	8.90	-
<b>Total debt (C)</b>	<b>507.44</b>	<b>1.57</b>
<b>Net debt (D=(C-B))</b>	<b>(33.47)</b>	<b>(403.02)</b>
<b>Total capital (equity + net debt)</b>	<b>1,785.76</b>	<b>1,295.06</b>
<b>Net debt to equity ratio (E=D/A)</b>	<b>*</b>	<b>*</b>

\* Net debt is negative and hence not applicable.

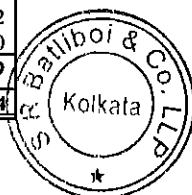
**38 Financial Instruments**
**Financial risk management objective and policies**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in Note 3

**I Financial assets and liabilities as at**

Particulars	(₹ in Million)	
	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>(a) Financial assets - non current</b>		
At amortised cost		
(i) Other financial assets	19.84	21.72
<b>Total non-current financial assets (a)</b>	<b>19.84</b>	<b>21.72</b>
<b>(b) Financial assets - non current</b>		
At fair value through profit or loss		
(i) Investment	44.76	42.49
At amortised cost		
(i) Trade receivables	16.53	0.28
(ii) Cash and cash equivalents	496.15	192.10
(iii) Other bank balances	-	170.00
(iv) Other financial assets	6.73	1.57
<b>Total non-current financial assets (b)</b>	<b>564.17</b>	<b>406.44</b>
<b>Total financial assets (a + b)</b>	<b>584.01</b>	<b>428.16</b>
<b>Financial liabilities</b>		
<b>(a) Financial liabilities - non-current</b>		
At amortised cost		
(i) Borrowings	498.54	-
(ii) Other financial liabilities	25.34	19.75
<b>Total non-current financial liabilities (a)</b>	<b>523.88</b>	<b>19.75</b>
<b>(b) Financial liabilities - current</b>		
At amortised cost		
(a) Borrowings (including current maturities of long term debt)	8.90	1.57
(b) Trade payables	173.59	158.42
(c) Other financial liabilities	31.88	12.00
<b>Total current financial liabilities (b)</b>	<b>214.37</b>	<b>171.99</b>
<b>Total financial liabilities (a + b)</b>	<b>738.25</b>	<b>191.74</b>

\* Carrying value of assets/ liabilities carried at amortized cost are reasonable approximation of its fair values.



**METRO DAIRY LIMITED****Notes to financial statements for the year ended 31st March 2019****39 Fair Value hierarchy**

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

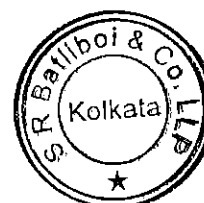
Particulars	(₹ in Million)			
	Fair Value measuring at the end of the reporting period using			As at 31st March 2019
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investment in Mutual Funds	-	44.76	-	44.76
<b>Total</b>	-	44.76	-	44.76

Particulars	Fair Value measuring at the end of the reporting period using				As at 31st March 2018
	Level 1	Level 2	Level 3	Total	
<b>Financial assets</b>					
Investment in Mutual Funds	-	42.49	-	42.49	
<b>Total</b>	-	42.49	-	42.49	

**Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate certain fair values:

- The fair values of the mutual funds are based on their published Net Asset Values at the reporting date.
- Fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short- term maturities of these instruments.



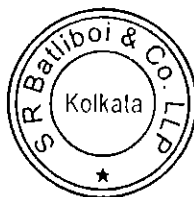


**METRO DAIRY LIMITED**
**Notes to Financial statements for the year ended March 31, 2019**
*(All amounts are in INR Millions, unless otherwise stated)*
**40 Related party disclosures**
**A. Names of related parties and description of relation :**

(i) Holding company (s) :	Keventer Agro Limited
(ii) Enterprises owned or significantly influenced by Key Management Personnel and their relatives with whom transactions have taken place during the year	Keventer Project Limited (significant influence of key management personnel) GAMA Hospitality Limited (significant influence of key management personnel)
(iii) Enterprises having significant influence on the company with whom transactions have taken place during the year	West Bengal Co-operative Milk Producers' Federation Ltd. (till 8th September, 2017)
<b>(iv) Other Related Parties with whom transactions have taken place during the year.</b>	
<b>(a) Key management personnel (KMP)</b>	
<b>Name</b>	<b>Designation</b>
1. Mr. Mayank Jalan	Chairman
2. Mr. Sumit Deb	Executive Director (resigned on 31st January, 2018)
	Non Executive Director (w.e.f. 1st February, 2018)
3. Mr. Subrata Ganguly	Company Secretary
<b>(b) Others Directors</b>	
<b>Name</b>	<b>Designation</b>
1. Mr. Mahendra Kumar Jalan	Non Executive Director (resigned on 22nd January, 2019)
2. Mr. Saurabh Jajodia	Non Executive Director
3. Mr. Uday Garg	Nominee Director of Mandala Swede SPV (joined on 13th September, 2017)
4. Mr. Paras Kumar Dutta	Nominee Director of WBCMPFL (resigned on 8th September, 2017)
5. Mr. Debabrata Chakraborty	Nominee Director of WBCMPFL (resigned on 8th September, 2017)
6. Mr. Probir Roy	Independent Director
7. Mr. Ajay Choudhury	Independent Director
8. Mrs. Debjani Chatterjee	Non Executive Director

**B. Transactions with related parties**

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
<b>Keventer Agro Limited</b>		
i) Income		
Sale	2.04	-
ii) Expenditure (excluding GST)		
Upkeep & maintenance	3.72	-
Advertising and sales promotion (net)	0.94	5.74
Contract staffing services	-	9.88
Commission on modern trade	0.29	-
Professional fees	-	1.34
Repair and maintenance	-	0.93
Travelling and conveyance	-	1.46
Packing & forwarding expenses_Milk UHT	1.25	-
Freight outward_milk despatch from BST -UHT	0.01	-
Miscellaneous expenses	0.51	0.45
iii) Property, Plant and Equipment		
Technical consultancy services received	25.00	25.00
iv) Others		
Capital advance given*	370.00	120.00
Capital advance received back*	370.00	120.00
Interest earning	-	4.29
<b>Keventer Project Limited</b>		
i) Expenditure		
Upkeep & maintenance	1.24	0.31
ii) Property, Plant and Equipment		
Technical Consultancy Services received	2.04	-
<b>GAMA Hospitality Ltd.</b>		
i) Income		
Sale	0.03	-
i) Expenditure		
Sales Promotion Exp - Milk General	0.05	-
<b>West Bengal Co-Operative Milk Producers' Federation Ltd. (WBCMPFL)</b>		
Cost of raw material	-	1.06



**METRO DAIRY LIMITED****Notes to Financial statements for the year ended March 31, 2019***(All amounts are in INR Millions, unless otherwise stated)*

The receivables from and payables to related parties as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Payable to:</b>		
Keventer Agro Limited	-	20.54
Keventer Projects Limited	0.64	-
<b>Total</b>	<b>0.64</b>	<b>20.54</b>
<b>Receivable from:</b>		
Keventer Agro Limited	0.49	-
GAMA Hospitality Ltd.	0.02	-
<b>Total</b>	<b>0.51</b>	<b>-</b>

**C. Remuneration of key management personnel**

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Employee benefits #	-	1.64
Advisory service to the Company ##	1.20	0.20
Directors' Sitting fees (all Directors)	0.30	0.72

# Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

## Mr. Sumit Deb engaged as Advisor to the Company with an consolidated remuneration of Rs. 1,00,000/- (Rupees One Lac Only) per month w.e.f. February 01, 2018

\* Advance of Rs 370 Million has been given to Keventer Agro Limited during the year against "agreement to sale" of "Banana Division". Pursuant to decision of merger with Keventer Agro Limited in the Board, the "agreement to sale" has been terminated, and advance amount has been refunded back by Keventer Agro Limited

**41 Merger of the Company with Keventer Agro Limited**

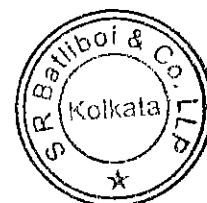
Subsequent to year end, Keventer Agro Limited has filed scheme of amalgamation with National Company Law Tribunal (NCLT) on June 12, 2019 for amalgamation of Metro Dairy Limited (a wholly owned subsidiary) with appointed date of 1st April 2018. The Scheme is yet to be approved by NCLT.

**42 Leases****Operating Lease:**

The Company has entered into operating leases agreements for the following on leave and license basis:

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Lease payments recognised in Statement of Profit and Loss for the year		
a) Refrigerated containers on vehicles	28.11	23.91
b) Advertisement display – ice cream and milk	1.16	1.36
c) Rent	8.53	7.31
d) Car / shift bus hire charges	5.15	5.33

There are no restrictions placed upon the Company by entering into these leases.



## METRO DAIRY LIMITED

### Notes to financial statements for the year ended 31st March 2019

#### 43 Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

##### i) Property, plant and equipment and useful life of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

##### ii) Estimation of Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 36).

##### iii) Defined benefit plan

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its longterm nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. (Refer note no. 37)

##### iv) Fair Value Measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

##### v) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

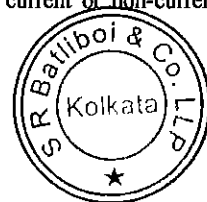
A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.



**METRO DAIRY LIMITED**

**Notes to financial statements for the year ended 31st March 2019**

**vi) Estimation of current tax expense and payable**

Taxes recognised in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.

As per our attached report of even date

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm registration number: 301003E/E300005



**per Sanjay Agarwal**

Partner

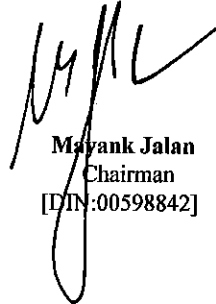
Membership No. 55833



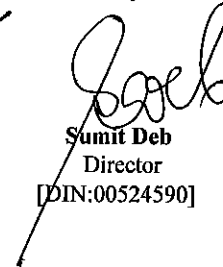
Place: Kolkata

Date : 30th August, 2019

**For and on behalf of the board of directors of  
Metro Dairy Limited**



**Mayank Jalan**  
Chairman  
[DIN:00598842]



**Sumit Deb**  
Director  
[DIN:00524590]



**Subrata Ganguly**  
Company Secretary