

**MODERN DAIRIES LTD.**

Corporate Office : 98-99, Sub City Centre, Sector 34, Chandigarh -160 022 (INDIA)  
Tel. : +91-172-2609001, 2609002, Fax : +91-172-2609000  
E-mail : info@modern dairies.com, CIN : L74899HR1992PLC032998

Regd. Office & Works : PB No. 3, 136 KM, G.T. Road, Karnal - 132 001 (Haryana)

Ref: MDL/SECT/BSE  
Date: 5<sup>th</sup> September, 2023

M/s. BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001

**Subject: Annual Report of the Company along with  
Notice of 31<sup>st</sup> Annual General Meeting (AGM)**

Dear Sir,

Pursuant to the relevant Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for Financial Year 2022-23 along with Notice of the 31<sup>st</sup> AGM of the Company to be held on Wednesday, the 27<sup>th</sup> September, 2023.

The schedule of the events is set as below:

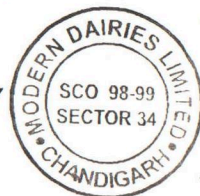
S. No.	Event	Date
1.	Relevant/Cut-off date to vote on AGM resolution	20 <sup>th</sup> September 2023
2.	Commencement of e-voting	24 <sup>th</sup> September, 2023 (9.00 AM)
3.	End of e-voting	26 <sup>th</sup> September, 2023 (5.00 PM)
4.	Annual General Meeting	27 <sup>th</sup> September, 2023 (11.00 AM)

Please take the above on your record.

Thanking you

Yours truly,  
For MODERN DAIRIES LIMITED

COMPANY SECRETARY



**SHRUTI  
JOSHI**

Digitally signed by  
SHRUTI JOSHI  
Date: 2023.09.05  
11:06:53 +05'30'

# NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

## NOTICE

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of Modern Dairies Limited will be held on Wednesday, the 27<sup>th</sup> September, 2023 at 11:00 a.m. through Video Conferencing/ Other audio visual means to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ashwani Kumar Aggarwal (DIN: 00486430), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.

### SPECIAL BUSINESS:

3. To ratify the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2024 and pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable to M/s. K K Sinha & Associates, Cost Accountants (Firm Registration No. 100279), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for Financial Year ending March 31, 2024 at an annual remuneration of Rs.50,000/- (Rupees Fifty Thousand Only), be and is hereby approved and confirmed.”

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary or Authorised Signatory of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To consider and approve remuneration payable to Mr. Krishan Kumar Goyal as Chairman & Managing Director of the Company and in this regard if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 197, 198 and 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required, approval of the members be and is hereby accorded for granting of remuneration to Mr. Krishan Kumar

Goyal (DIN: 00482035), Chairman & Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2023 for two years, as per provisions of the Companies Act, 2013 and Articles of Association of the Company and as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Krishan Kumar Goyal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To reappoint Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director (Whole-Time Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 200 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals as may be required, the consent of members be and is hereby accorded to the reappointment of Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director (Whole-Time) of the Company, liable to retire by rotation retrospectively with effect from 1<sup>st</sup> April, 2023 till the conclusion of Annual General Meeting to be held in the year 2026 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Ashwani Kumar Aggarwal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;



## MODERN DAIRIES LIMITED

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board  
**For Modern Dairies Limited**

Shruti Joshi  
Company Secretary

Dated: 11<sup>th</sup> August, 2023  
Place: Chandigarh

**Registered Office:**

136 K.M., G.T. Road,  
Karnal –132001 (Haryana)

**CIN:** L74899HR1992PLC032998

**Email:** secretarial@moderndairies.com

**Website:** www.moderndairies.com

**Phone:** (0172) 2609001/2, **Fax:** (0172) 2609000

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the Special Business to be transacted at the 31<sup>st</sup> Annual General Meeting (AGM) under Item No. 3, 4 and 5 of the Notice, is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 03/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. However, for all the purpose the venue for above said Annual General Meeting held through Video Conferencing (VC) or other audio visual means (OAVM) shall deemed to be the registered office of the Company.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 02/2021 dated January 13, 2021, MCA Circular No. 03/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022 and December 28, 2022, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.moderndairies.com](http://www.moderndairies.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, MCA Circular 03/2022 dated May 05, 2022 and MCA Circular 10/2022 dated December 28, 2022.
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested

## NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

10. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment at the Annual General Meeting is annexed hereto.
11. Members who wish to obtain any information about the Company or view the Accounts for the financial year ended 31<sup>st</sup> March, 2023, may send their queries at least 10 days before the Annual General Meeting at Company's Corporate Office at SCO 98-99, Sub-City Centre, Sector 34, Chandigarh- 160 022.
12. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2023 to 27<sup>th</sup> September, 2023 (both days inclusive).
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, etc.
  - **For Shares held in electronic form:** to their Depository Participant
  - **For Shares held in physical form:** to the Company/ Registrar and Transfer Agent in Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.
14. Members are requested to note that SEBI vide its Circular dated 25<sup>th</sup> January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate share certificate, claim from unclaimed suspense account; renewal/ exchange of share certificate; endorsement; sub division/ splitting of share certificates; consolidation of share certificates/ folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4.
15. In terms of SEBI notification dated 25<sup>th</sup> of June, 2022, SEBI has mandated that all requests for transfer of securities including transmission and transposition be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
16. As per Section 72 of the Act and SEBI circular dated 03.11.2021, the facility for making nomination is

available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.moderndaries.com](http://www.moderndaries.com) and from the website of Company's Registrar and Transfer Agents at [www.mcsregistrars.com](http://www.mcsregistrars.com). Members are requested to submit the said details to their DPs in case the shares are held by them in the dematerialized form and the Company's RTA in case the shares are held in physical form.

17. As per the provisions of the Companies Act, 2013 and the rules made thereunder and the Regulation 36(1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company.

Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this report with MCS Share Transfer Agent Limited/ Investors Service Department of the Company. The members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.

Even after registering for e-communication, the Shareholders of the Company are entitled to receive such communication in physical form, upon request.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.
19. Soft copy of the Annual Report for the financial year 2022-23 is being sent to all the members, whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes.

Pursuant to MCA circular 10/2022 dated 28<sup>th</sup> December, 2022 and SEBI circular SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 05<sup>th</sup> January, 2022, the physical copies of the notice of 31<sup>st</sup> Annual General Meeting of the company are not being sent to the members.
20. Soft copy of the Notice of the 31<sup>st</sup> Annual General Meeting of the Company, inter-alia, indicating the

process and manner of remote e-voting is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes

Pursuant to MCA circular 10/2022 dated 28<sup>th</sup> December, 2022 and SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2022, the physical copies of the notice of 31<sup>st</sup> Annual General Meeting of the company are not being sent to the members.

21. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for the financial year 2022-23 will also be available on the Company's website [www.moderndairies.com](http://www.moderndairies.com) for their download.

For any communication, the members may also send requests at email ID: [secretarial@moderndairies.com](mailto:secretarial@moderndairies.com)

22. Procedure for "Remote E-Voting" pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Sunday, 24<sup>th</sup> September, 2023 at 09:00 A.M. and ends on Tuesday, 26<sup>th</sup> September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 20<sup>th</sup> September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20<sup>th</sup> September, 2023.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

# NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

## Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

<p>c) For Members holding shares in Physical Form.</p>	<p>EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
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5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sangerassociates@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct

## NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [secretarial@moderndairies.com](mailto:secretarial@moderndairies.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ([secretarial@moderndairies.com](mailto:secretarial@moderndairies.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@moderndairies.com](mailto:secretarial@moderndairies.com). The same will be replied by the company suitably.
23. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).



24. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 20<sup>th</sup> September, 2023.
25. Mr. Rajeev Kumar Sanger, Practising Company Secretary (Membership No. ACS 58369) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
26. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in the favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
27. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.moderndairies.com](http://www.moderndairies.com) and on the website of NSDL and communicated to the BSE Limited.
28. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection, at the Registered Office of the Company, during normal business hours (9:00 AM to 5:00 PM) on all working days (except on public holidays), upto the date of the Annual General Meeting.

By order of the Board  
**For Modern Dairies Limited**

Shruti Joshi  
Company Secretary

Dated: 11<sup>th</sup> August, 2023  
Place: Chandigarh

**Registered Office:**  
136 K.M., G.T. Road,  
Karnal -132001 (Haryana)  
**CIN:** L74899HR1992PLC032998  
**Email:** [secretarial@moderndairies.com](mailto:secretarial@moderndairies.com)  
**Website:** [www.moderndairies.com](http://www.moderndairies.com)  
**Phone:** (0172) 2609001/2, **Fax:** (0172) 2609000

#### **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")**

##### **ITEM NO. 4**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors M/s. K K Sinha & Associates to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024 subject to the ratification of the remuneration payable to the Cost Auditors by the shareholders of the Company in accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors M/s. K K Sinha & Associates for the financial year ending 31<sup>st</sup> March, 2024.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

##### **ITEM NO. 4**

Mr. Krishan Kumar Goyal is the Promoter Director of the Company. He is the Managing Director of the Company since inception except for a short break. Mr. Goyal was appointed as Chairman & Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> April, 2020 at a salary of Rs. 2,50,000 (Rupees Two Lakhs Fifty Thousands only) per month for three years, as per the provisions of the Companies Act, 2013. However, keeping in mind the financial constraints suffered by the Company, Mr. Krishan Kumar Goyal had not drawn remuneration.

The Board of Directors of the Company (the 'Board'), at its meeting held on 12<sup>th</sup> May, 2023 had, subject to the approval of lenders and shareholders of the Company, approved further remuneration by way of salary, perquisites and commission to Mr. Krishan Kumar Goyal w.e.f. 1<sup>st</sup> April, 2023 for a period of two years as per the provisions of the Companies Act, 2013, Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee as given herein below:

#### **TERMS & CONDITIONS**

##### **1. SALARY**

Rs. 4,25,000/- (Rupees Four Lakhs Twenty Five Thousand Only) per month with such annual increments / increases as may be decided by the Board of Directors from time to time.

## 2. PERQUISITES

- (i) **Provident Fund:** Contribution towards superannuation Fund and Provident Fund shall be as per rules of the Company.
- (ii) **Gratuity:** Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- (iii) **Leave:** As per the rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.
- (iv) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family.
- (v) **Personal Accident Insurance.**
- (vi) **Car:** Free use of Company's car for Company's work as well as for personal purposes along with driver.
- (vii) **Telephone:** Telephone and other Communication facilities at Company's cost.
- (viii) **Insurance:** Cost of Insurance cover the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- (ix) **Reimbursement of Expenses:** Reimbursement of expenses incurred by Mr. Krishan Kumar Goyal during the course of and in connection with the business of the Company.
- (x) **Others:** Subject to any statutory ceilings, Mr. Krishan Kumar Goyal may be given any other allowances, perquisites and facilities as the Board of Directors may decide from time to time.

The terms and conditions can be varied with mutual agreement of both parties subject however to the stipulation that the changes should be in conformity with the provisions of the Companies Act, 2013 read with Schedule V or any amendment thereof.

## 3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the Chairman & Managing Director shall, subject to the approval of the lenders and shareholders, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule V of the Companies Act, 2013, from time to time.

Mr. Krishan Kumar Goyal is also Chairman & Managing Director of M/s. Modern Steels Limited. He is entitled to a salary of Rs. 2,00,000 (Rupees Two Lakhs Only) per month plus perquisites in that Company subject to the conformity with provisions of schedule V.

Mr. Krishan Kumar Goyal satisfies all the conditions as set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for reappointment. He is not disqualified from being reappointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Krishan Kumar Goyal under Section 190 of the Act.

Disclosures under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

The Documents referred herewith and explanatory statement are open for inspection by any member at the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

## MEMORANDUM OF INTEREST

Mr. Krishan Kumar Goyal, Chairman & Managing Director is interested in the resolution set out at Item No. 4 of the Notice.

The relatives of Mr. Krishan Kumar Goyal, Chairman & Managing Director may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

## ITEM NO. 5

Mr. Ashwani Kumar Aggarwal was reappointed as the Executive Director(Whole-Time) of the Company w.e.f 1<sup>st</sup> April, 2020 for a period of three years at a salary of Rs. 1,50,000 (Rupees One Lakhs Fifty Thousands only) as per the provisions of the Companies Act, 2013.

The Board of Directors of the Company (the 'Board'), at its meeting held on 12<sup>th</sup> May, 2023 has, subject to the approval of the lenders and shareholders of the Company, re-appointed Mr. Ashwani Kumar Aggarwal as the Executive Director (Whole-Time) of the Company, liable to retire by rotation, retrospectively with effect from 1<sup>st</sup> April, 2023 till the conclusion of Annual General Meeting to be held in the year 2026, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

The Board of Directors while approving appointment of Mr. Ashwani Kumar Aggarwal had also approved remuneration by way of salary and perquisites for a period of three years from the date of appointment as given herein below:

## TERMS & CONDITIONS:-

### 1. SALARY

Rs.2,50,000 (Rupees Two Lakhs Fifty Thousand Only) per month with such annual increments / increases as may be decided by the Board of Directors from time to time.

**2. PERQUISITES:**

- (i) House Rent Allowance: 40% of the salary per month.
- (ii) Provident Fund: Contribution towards Superannuation Fund and Provident Fund shall be as per rules of the Company.
- (iii) Gratuity: Payable at the rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
- (iv) Leave: As per the rules of the Company.
- (v) Medical Reimbursement: Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month salary, as per rules of the Company.
- (vi) Car: Free use of Company's car for official purposes along with driver.
- (vii) Telephone: Telephone and other communication facilities at Company's cost.
- (viii) Insurance: Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment, as may be approved by the Board of Directors from time to time.
- (ix) Others: Subject to any statutory ceilings. Mr. Ashwani Kumar Aggarwal may be given any other allowances, perquisites and facilities as the Board of Directors may decide from time to time.

The terms and conditions can be varied with mutual agreement of both parties subject however to the stipulation that the changes should be in conformity with the provisions of the Companies Act, 2013 read with Schedule V or any amendment thereof.

**4. MINIMUM REMUNERATION**

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, Mr. Ashwani Kumar Aggarwal shall, subject to the approval of the lenders and shareholders, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in schedule V of the Companies Act, 2013, from time to time.

Mr. Ashwani Kumar Aggarwal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for reappointment. He is not disqualified from being reappointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Ashwani Kumar Aggarwal under Section 190 of the Act.

Disclosures under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed hereto.

Further, in terms of section 196 and Schedule V and other applicable provisions of the Companies Act, 2013, consent of the Members by way of Special Resolution is also required for appointment or continuation of employment of a Managerial Person beyond the age of seventy years. During the proposed term of appointment, Mr. Ashwani Kumar Aggarwal will attain the age of seventy years. This Special Resolution, once passed, shall also be deemed as your approval under the aforesaid Regulation, for continuation of Mr. Ashwani Kumar Aggarwal as an Executive Director (Whole-Time) beyond the age of seventy years.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

The Documents referred herewith and explanatory statement is open for inspection by any member at the registered office of the Company during business hours on any working day of the Company upto and including the date of meeting.

**MEMORANDUM OF INTEREST**

Mr. Ashwani Kumar Aggarwal, Executive Director is interested in the resolution set out at Item No. 5 of the Notice.

The relatives of Mr. Ashwani Kumar Aggarwal, Executive Director may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

By order of the Board  
**For Modern Dairies Limited**

Shruti Joshi  
Company Secretary

Dated: 11<sup>th</sup> August, 2023  
Place: Chandigarh

**Registered Office:**

136 K.M., G.T. Road,

Karnal -132001 (Haryana)

**CIN:** L74899HR1992PLC032998

**Email:** secretarial@modern dairies.com

**Website:** www.modern dairies.com

**Phone:** (0172) 2609001/2, **Fax:** (0172) 2609000

## NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

### INFORMATION REGARDING DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 27<sup>TH</sup> SEPTEMBER, 2023 PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### ITEM NO. 4

Name of the Director	Mr. Krishan Kumar Goyal
DIN	00482035
Date of Birth	06 <sup>th</sup> September, 1956
Date of Appointment/ Re-appointment	16 <sup>th</sup> July, 2012/01 <sup>st</sup> April, 2020
Brief Resume and expertise in specific functional area	Mr. Krishan Kumar Goyal, aged 66 years, is a Commerce & Law graduate. He is energetic and dynamic person. He has a vast experience in manufacturing industry and is well versed with the modern management practices.  He is also Chairman & Managing Director of Modern Steels Ltd. He has served many positions in the Confederation of Indian Industry (CII) including Chairman, CII Chandigarh Council (NR) from 2003-2006. He has also served as member of Board of Governors, Punjab Engineering College, Chandigarh.
Qualification	B.Com, LLB
List of outside Directorships held	Modern Steels Limited Chandigarh Finance Pvt. Ltd. Bharat Forgings Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Chairman/Member of the Committee of Directors of other Companies	NIL
Shareholding in the Company	As on 31 <sup>st</sup> March 2023, Mr. Krishan Kumar Goyal holds 22,97,343 Equity Shares of the Company
Relationship with other Directors	Not Applicable

#### ITEM NO. 2, 5

Name of the Director	Mr. Ashwani Kumar Aggarwal
DIN	00486430
Date of Birth	02 <sup>nd</sup> October, 1954
Date of Appointment/ Re-appointment	02 <sup>nd</sup> January, 1993/1 <sup>st</sup> April, 2020
Brief Resume and expertise in specific functional area:	Mr. Aggarwal, aged 68 years is a Dairy Technologist and has a long technical and commercial experience of more than three decades. He is widely travelled and has in depth knowledge of international dairy business. He is associated with the Company since inception.
Qualification	B.Sc. (Dairy Tech.)
List of outside Directorships held	NIL
Chairman/Member of the Committee of the Board of Directors of the Companies	Audit Committee – Member Stakeholders Relationship Committee – Member
Shareholding in the Company	400 Equity Shares of the Company
Relationship with other Directors	Not Applicable

**STATEMENT OF PARTICULARS (ITEM NO. 4 & 5)**

(Pursuant to Schedule –V of the Companies Act, 2013)

<b>I. General Information:</b>					
(1)	Nature of industry	The Company is primarily engaged in the business of milk supply in pouches manufacturing/ processing of milk powders, Butter, Pure Ghee, Cheese and nutritional ingredients etc.			
(2)	Date or expected date of commencement of commercial production	22 <sup>nd</sup> April, 1992			
(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institute appearing in the prospectus.	N.A			
(4)	Financial performance based on given indicators	(₹ in Lacs)			
		<b>PARTICULARS</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
		Sales & other Income	2,18,75.84	2,42,16.69	6,10,44.01
		Depreciation / Amortization	3,35.39	6,43.88	22,44.86
		Finance Cost	2,57.82	8.23	3.85
		Profit / (Loss) before Exceptional Items and Tax	12,16.99	4,95.22	(11,95.54)
		Exceptional Item	1.38	-	22,77.94
		Profit/ (Loss) before Tax	12,15.60	4,95.22	(34,73.47)
		Earnings/ (Loss) per share	5.21	2.12	(14.89)
(5)	Foreign investments or collaborators, if any	Nil			
<b>II. Information about the appointee:</b>		<b>Mr. Krishan Kumar Goyal</b>	<b>Mr. Ashwani Kumar Aggarwal</b>		
(1)	Background details & Recognition or awards	Mr. Krishan Kumar Goyal aged 66 years is the Promoter Director of the Company. He is a Commerce & Law Graduate. He is energetic and dynamic person. He has a vast experience in manufacturing industry and is well versed with the modern management practices.	Mr. Ashwani Kumar Aggarwal, aged 68 years is a Dairy Technologist from National Dairy Research Institute, Karnal. He has a long technical and commercial experience of more than three decades. He is widely travelled and has in depth knowledge of international dairy business. Mr. Aggarwal is associated with the Company since inception.		
(2)	Past remuneration	Mr. Krishan Kumar Goyal was entitled to remuneration of Rs. 2,50,000/- per month with perquisites during the last three years. But, keeping in mind the financial constraints suffered by the Company, Mr. Krishan Kumar Goyal had not drawn remuneration in this three years period.	Mr. A.K. Aggarwal has drawn Rs. 35,81,520/- in the year 2022-23.		

## NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

(3)	Job profile and his suitability	Mr. Krishan Kumar Goyal is responsible for overall management of the Company under the supervision and control of the Board of Directors of the Company.	Mr. A.K. Aggarwal is responsible for overall day to day management of the Company under the supervision and control of Board of Directors of the Company and reports to the Managing Director.
(4)	Remuneration propose	Rs. 4,25,000/- per month plus perquisites.	Rs. 2,50,000/- per month plus perquisites.
(5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The remuneration of the appointees, Mr. Krishan Kumar Goyal and Mr. A.K. Aggarwal are fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position of Chairman & Managing Director and Executive Director respectively and enriched knowledge & vast experience of the appointees.	
(6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Krishan Kumar Goyal is one of the Promoters and shareholder of the Company.	Mr. A. K. Aggarwal is the Executive director and a shareholder of the Company.

### III. Disclosures

The details of remunerations and other information is given in the Corporate Governance part of the Directors' Report.

31<sup>st</sup>  
ANNUAL  
REPORT  
2022-2023



MODERN DAIRIES LIMITED





**BOARD OF DIRECTORS**

Chairman and Managing Director  
Mr. Krishan Kumar Goyal

Prof. Sanjay Kaushik, Independent Director  
Mr. Ajay Kumar Sharma, Independent Director  
Dr. Meena Sharma, Independent Director  
Mr. A.K. Aggarwal, Executive Director

**CHIEF FINANCIAL OFFICER**

Mr. Mukesh Sehgal

**AUDITORS**

M/s. APT & CO LLP  
Chartered Accountants

**COMPANY SECRETARY**

Ms. Shruti Joshi

**LENDERS**

Punjab National Bank  
Edelweiss Asset Reconstruction Company Limited

**CORPORATE OFFICE**

SCO 98-99, Sub City Centre,  
Sector 34, Chandigarh-160 022, India

**REGISTERED OFFICE & WORKS**

136 KM, G.T. Road,  
Karnal - 132 001 (Haryana)

**REGISTRARS & SHARE TRANSFER AGENTS**

M/s. MCS Share Transfer Agent Limited  
F-65, First Floor, Okhla Industrial Area  
Phase 1, New Delhi-110 020

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## DIRECTORS' REPORT

Dear Members,

Your Directors hereby present their 31<sup>st</sup> Annual Report together with the Audited Financial Statements of Modern Dairies Limited for the year ended 31<sup>st</sup> March, 2023.

FINANCIALS	Rs. in Lacs	
	Year Ended	Year Ended
	31.03.2023	31.03.2022
Net Sales and other Income	2,18,76	2,42,17
Operating Profit	18,09	11,47
Finance Cost	2,58	8
Cash Profit	15,51	11,39
Depreciation & Impairment Loss	3,35	6,44
Profit for the year	12,16	4,95

### PERFORMANCE

During this Financial Year the industry witnessed improved demand of Dairy products. The prices of milk started rising after Q1 of F.Y. 2022-23 and remained high throughout the year. The Company's operating team worked relentlessly which resulted in operating profits of Rs. 18,09 Lacs this year against Rs. 11,47 Lacs previous year.

### CURRENT OPERATIONS

With the beginning of the current fiscal year the milk availability has improved and the prices of milk and milk products have also softened. Apart from Fresh Dairy products, the Company has also focused on the milk nutritional ingredients business, which is a growing market segment. The efforts have shown a better performance in the current year's first quarter with operating profit of Rs. 4,12 Lacs against last year's first quarter operating profit of Rs. 3,51 Lacs.

This year Monsoon is expected to be good which augers well for the agriculture and dairy sector.

### MILK CESS

As the members are aware that the Company had filed a Special Leave Petition before the Hon'ble Supreme Court against the decision dated 28<sup>th</sup> May, 2010 of Punjab & Haryana High Court with regard to the levy of milk cess under the Haryana Murrah Buffalo and other Animal Breed Act, 2001. The said SLP was filed by the Company in the year 2010 and admitted in the

Supreme Court in 2012. The Hon'ble Supreme Court had granted interim stay upon payment of 50% of milk cess levied and demanded by Govt. of Haryana in favour of the Company. As per demand notice issued by Govt. of Haryana at the year end stand Rs. 455.07 Crore, which includes Milk Cess and interest thereon from the Company. The Company as an abundant caution is providing for the Milk Cess in the accounts. As on 31<sup>st</sup> March, 2023, the total Milk Cess provision amount is Rs. 20.12 Crore, out of which Rs. 5.91 Crore has been already deposited as per Hon'ble Supreme Court's order, The matter is pending before the Hon'ble Supreme Court of India.

### PLEDGE OF PROMOTER SHAREHOLDING

The shareholding of promoter and promoter group aggregating to 10654779 shares, being 45.69% of the entire share capital of the Company is pledged in favour of Punjab National Bank and other consortium members.

### STATUS OF COMPANY'S ACCOUNTS WITH LENDERS

The company's lender Punjab National Bank has revived the old OTS and has extended the time period for repayment of dues. The debt of Edelweiss ARC Ltd. (earlier State Bank of India) has been restructured. The OTS and Restructuring Scheme is under implementation.

### QUALITY, FOOD SAFETY & ENVIRONMENT STANDARDS

The Company has always followed the best practices of the industry in respect of Good Management Practices (GMP) and Good Hygienic Practices (GHP). The Company's Quality Management System has been certified by DNVGL Netherlands for updated version of ISO 9001, FSSC 22000 and ISO 14001.

The facilities are approved and registered with USFDA, Export Inspection Agency, APEDA and HALAL for supply of its products in the domestic and international market. Most of the leading Multinational Food Companies in India have approved our operations as suitable for supplies of company's products to them.

### SHARE CAPITAL

The paid up equity share capital as on March 31, 2023 is Rs. 23,35,89,000/- divided into 2,33,58,900 equity shares of Rs. 10/- each and there was no change in capital structure during the financial year 2022-23.

**DIVIDEND**

In view of requirements of regular funds for operations, your directors are unable to recommend any dividend for the Financial Year ended on March 31, 2023.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the period under review, the details of directors and Key Managerial Personnel were as follows:

The Shareholders of the Company approved reappointment of Mr. Krishan Kumar Goyal (DIN: 00482035), who was liable to retire by rotation at the last Annual General Meeting held on 30<sup>th</sup> September, 2022.

Mr. Ashwani Kumar Aggarwal (DIN: 00486430), Executive (Whole-Time) Director of the Company was appointed for a period of three consecutive years w.e.f 1<sup>st</sup> April, 2020 and is to be further reappointed with effect from 1<sup>st</sup> April, 2023 till the conclusion of Annual General Meeting to be held in year 2026 in terms of the provisions of Companies Act, 2013.

The Shareholders of the Company approved reappointment of Mr. Krishan Kumar Goyal in the AGM in the year 2020 for the period of 5 years along with the remuneration as per the provisions of Schedule V of the Companies Act 2013 which was for 3 years. But, keeping in mind the financial constraints suffered by the Company, Mr. Krishan Kumar Goyal had not drawn remuneration in this three years' period. During this year, the Board considered the approval of remuneration for the remaining two years term in accordance with the provisions of Sections 196, 197, 200 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of the lenders and shareholders of the Company w.e.f. 1<sup>st</sup> April, 2023 for two years as per provisions of the Companies Act, 2013 and Articles of Association of the Company on a remuneration as recommended by the Nomination & Remuneration Committee in their Meeting.

Dr. Sanjay Kaushik, Dr. Meena Sharma and Mr. Ajay Kumar Sharma, who were appointed as Additional Directors of the Company, has been regularized by shareholders at last Annual General Meeting held on 30<sup>th</sup> September, 2022 as Non- Executive Independent Directors of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Prof. Satish Kapoor, Dr. Avtar Krishan Vashisht and Dr. Renu Vig were appointed as Independent Directors of the Company and were further re-appointed for their second term which has expired at the last Annual General Meeting held on 30<sup>th</sup> September, 2022. Therefore, on completion of the tenure, the above said Directors ceased to be the Independent Directors of Company w.e.f. 30.09.2022.

The Board placed on record its appreciation for the valuable contribution and the services rendered by Prof. Satish Kapoor, Dr. Avtar Krishan Vashisht and Dr. Renu Vig during their respective tenure as Director. The Board expressed its gratitude for their valuable guidance during their association with the Company.

In pursuance of Section 152 of the Companies Act, 2013, at-least two-thirds of the Directors (excluding Independent Directors) shall be subject to retirement by rotation. One-third of such Directors must retire from office at each AGM and a retiring director is eligible for re-appointment. Accordingly, Mr. Ashwani Kumar Aggarwal, Executive Director (DIN: 00486430), is liable to retire by rotation at ensuing Annual General Meeting and being eligible, offers himself to be re-appointed at this AGM. In view of his considerable experience, Board of Directors recommends his re-appointment as Director of Company.

The following are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Mr. Krishan Kumar Goyal (Chairman and Managing Director)
2. Mr. Ashwani Kumar Aggarwal (Whole time Director)
3. Mr. Mukesh Sehgal (Chief Financial Officer)
4. Ms. Shruti Joshi (Company Secretary)

**BOARD MEETINGS**

During the financial year 2022-23, 5 (Five) meetings of the Board of Directors were held. The details of the meetings of the Board are furnished in the Corporate Governance Report which is attached to this Report.

**ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In pursuance of Section 134 (3) (p) of the Companies Act, 2013 read with rules made thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of

Directors carried out the performance evaluation of the Board as a whole, its Committees and individual directors. The evaluation was carried out using individual questionnaires covering composition of Board, conduct as per Company values & beliefs, contribution towards development of strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc.

As part of the evaluation process, the performance of Non Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non Independent Directors was done by the Board excluding the Director being evaluated.

The Board of your Company formed an opinion that the Independent Directors of our Company are maintaining high standard of integrity and possessing expertise, requisite qualifications and relevant experience for performing their role as an Independent Directors.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 read with the rules made thereunder and Regulation 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, that they meet the criteria of independence as laid out in Subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **BOARD DIVERSITY AND REMUNERATION POLICY**

The Board has, on recommendation of the Nomination & Remuneration Committee of the Company in accordance with Para A of Part D and Regulation 19 of Listing Regulations has framed Nomination & Remuneration Policy for appointment and remuneration of Directors, Key managerial Personnel and Senior Management Employees, which includes the criteria for determining qualification, positive attributes, independence of a Director and other matters provided under sub-section 3 of section 178 of the Companies

Act, 2013. As on 31<sup>st</sup> March, 2023 the Board consists of five members out of which two are Executive Directors and three are independent directors.

The Board periodically evaluates the need for change in its composition and size.

We affirm that the remuneration paid to the Directors is as per the terms approved by the Nomination and Remuneration Committee of the Company.

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

Your Company has the following three Board Level Committees established by the Board in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination & remuneration Committee
- Stakeholders Relationship Committee

The details regarding composition, terms of reference, number of meetings held, etc. of the above Committees are included in the Report of Corporate Governance, which forms parts of the Annual Report. There has been no instance where the board has not accepted recommendation of Audit Committee, Nomination & remuneration Committee and Stakeholders Relationship Committee. Further, the provisions of Companies Act mandating constitution of Risk Management Committee is not yet applicable to the Company.

#### **AUDITORS**

##### **Statutory Auditors**

Pursuant to Section 139 and 142 and other applicable provisions of Companies Act, 2013, if any and the rules framed thereunder, M/s. APT & Co. LLP, Chartered Accountants (Registration No. 014621C/N500088) were appointed as Statutory Auditors of Company at 30<sup>th</sup> Annual General Meeting for a period of two (2) years to hold office till the conclusion of the Annual General Meeting to be held in the year 2024 at a remuneration mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

##### **Cost Auditors**

Pursuant to Section 148 and other applicable provisions of Companies Act, 2013, if any and the rules framed thereunder, the Board of Directors have approved the appointment and remuneration of M/s. K.K. Sinha & Associates, Cost Auditors as Cost Auditors of the Company to conduct the cost audit for the year 2023-24 on the recommendations of

the Audit Committee subject to the ratification of the remuneration by the shareholders.

M/s. K.K. Sinha & Associates, Cost Auditors confirmed eligibility to be appointed as Cost Auditors of the Company and expressed his willingness by written consent for appointment for the financial year 2023-2024.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors had appointed M/s. Sanger & Associates, Company Secretaries as Secretarial Auditor of the Company for the financial year 2022-23 for conducting the Secretarial Audit as required under the provisions of Companies Act, 2013.

The Secretarial Audit Report issued by M/s. Sanger & Associates, Company Secretaries in Form MR-3 for the Financial Year ended 31<sup>st</sup> March, 2023 is annexed herewith as “**ANNEXURE-A**” to this report.

Further, M/s. Sanger & Associates, Company Secretaries being eligible for re-appointment expressed his willingness to act as Secretarial Auditor of Company for Financial Year 2023-24, the Board of Directors on recommendation of Audit Committee approved the re-appointment of M/s. Sanger & Associates as Secretarial Auditors of the Company for Financial Year 2023-24.

### AUDITOR'S REPORT

#### Statutory Auditors' Report

The Statutory Auditors of the Company, M/s. APT & Co. LLP, Chartered Accountants, have submitted the Auditor's Report forming part of Financial Statements in this Annual Report which has observation on Standalone Financial Statements for the period ended March 31, 2023.

#### Auditor's Qualifications/ Observations

Director's remuneration is not admissible as prescribed in Sec-197 of companies Act, 2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.

The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director

remuneration to Mr. Ashwani Kumar Aggarwal (Executive Director) amounting to Rs. 35,81,520/- (for current quarter Rs.8,95,380/-).

Apart from the managerial remuneration for year ended 31<sup>st</sup> March, 2023, as mentioned above the company has paid director remuneration of Rs. 2,50,01,962/- till date without complying the provisions of Schedule V of the Companies Act, 2013.

#### Management's Reply:

The company has paid Managerial Remuneration amounting to Rs.35,81,520/-, to director for which the company is yet to receive approval from the competent authority/agency. Management undertakes that in case the approval is not received from the competent authority/agency, they shall refund the remuneration paid to them by the company. Profitability of the company shall affect to the same extent.

#### Secretarial Auditors' Report

The Secretarial Auditor M/s. Sanger & Associates, Company Secretaries has submitted the Secretarial Audit Report for the Financial Year 2022-23 in Form No. MR-3 and forming part of this Directors, Report annexed as “**ANNEXURE-A**”

#### Secretarial Auditors' Qualification in Secretarial Audit Report

1. The Company also not Complied with Section 197 of Companies Act 2013 in respect of remuneration paid to Managerial Personnel of the Company.
2. The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except filing of Compliance Certificate for the quarter ended on September 30, 2022 and December 31, 2022 as per BSE Circular No. 20221028-15 dated October 28, 2022. However, the Company has maintained the Structured Digital Database (SDD) as per the requirements of Reg 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 and company has also complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Management's Reply:

The company has paid Managerial Remuneration to director for which the company is yet to receive approval from the competent authority/agency. Management undertakes that in case the approval is not received from the competent authority/agency,

they shall refund the remuneration paid to them by the company. Profitability of the company shall affect to the same extent.

There was delay in filing of the certificates for the quarter ended September 2022 and December 2022.

#### **RISK MANAGEMENT**

The Company recognises that risk is an internal and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company has formulated Risk Management Policy to identify and then manage threats / risks that could have impact on the goals and objectives of the Company. The Audit Committee of the Company periodically reviews and evaluates the adequacy of risk management system. The actual identification, assessment and mitigation of risks is however done by the executives of the Company.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated Vigil Mechanism/Whistle Blower Policy which provides a robust framework for dealing with genuine concerns and grievances of Employees, Directors and Senior Executives. Your Company has an ethics hotline which can be used by employees, Directors, senior executives, suppliers, dealers etc. to report any violations to the Code of Conduct. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. During financial year 2022-23, no complaints were received.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

MDL (Modern Dairies Limited) has aligned its current system of internal financial control with the requirement of Companies Act, 2013.

MDL's internal controls commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies.

The management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as of 31<sup>st</sup> March, 2023. The assessment involved self-review and external audit.

M/s. APT & Co. LLP, Chartered Accountants, the Statutory Auditors of MDL has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in Section 143).

The Audit Committee reviews reports submitted by the management and audit reports submitted by internal auditors and Statutory Auditors. Suggestions for improvement are considered and the Audit Committee follows up on corrective action.

Based on its evaluations (as defined in Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), the Audit Committee has concluded that, as of 31<sup>st</sup> March, 2023, the internal financial controls were adequate and operating effectively.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no adverse material changes or commitments occurred after 31<sup>st</sup> March, 2023 till the date of this report, which may affect the financial position of the Company.

#### **DEPOSITS**

The Company has neither accepted nor invited any deposit from the public and hence directives issued by Reserve Bank of India and the provisions of Chapter V (Acceptance of deposits by Companies) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

#### **TRANSFER TO RESERVES**

Considering the financial position of the Company and requirements of regular funds for operations, no amount has been transferred to the General Reserves of the Company during Financial Year 2022-23.

#### **EXTRACT OF ANNUAL RETURN**

In compliance with Section 92(3), Section 134 (3) (a) and Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return in Form No. MGT-9 is annexed as

“ANNEXURE-B” forming part of this report and also available on the website of the Company at [www.modern dairies.com](http://www.modern dairies.com).

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

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as per Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules 2014, is given in the “ANNEXURE-C” and forms part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions regarding Corporate Social Responsibility (“CSR”) as enumerated under section 135 of the Companies Act 2013 are applicable to the Company for the period under review.

However, the liability to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years is not applicable on our company for the current financial year, since the company is having average net loss instead of profits during the three immediately preceding financial years.

The Annual Report on CSR activities in the prescribed Form is attached as “Annexure-D” to this report. The CSR Policy is available on the website of the Company at [www.modern dairies.com](http://www.modern dairies.com).

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The details of Loans, guarantees and investments, if any covered under the provisions of Section 186 of the Companies Act, 2013 for Financial Year 2022-23 forms part of the notes to the financial statements.

### **RELATED PARTY TRANSACTIONS**

All contracts or arrangements entered into by the Company with Related Parties have been done at an arm’s length and are in the ordinary course of business. Related Party disclosures as per AS-18 have been provided in the Notes to the Financial Statements. During financial year 2022-23, your company has not entered into any contract/ arrangement/transaction with related parties which could be considered ‘material’ in accordance with its Policy on Materiality of Related Party Transactions. Thus, there are no transactions required to be reported in Form AOC-2.

### **CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS**

A separate report on Corporate Governance & Management Discussion & Analysis is attached to this report.

### **SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees whether permanent, contractual, temporary and trainees are covered under this Policy.

As per the said Policy, an Internal Complaints Committee is also in place to redress complaints received regarding sexual harassment. No complaints were received during financial year 2022-23.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

### **DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the Company for the year;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the annual accounts are prepared on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **APPRECIATION**

Your Directors wish to place on record their sincere appreciation for the continued support from its business associates and stakeholders of the Company.

By order of the Board of Directors  
For Modern Dairies Limited

Krishan Kumar Goyal

Place: Chandigarh    Chairman & Managing Director  
Date: 11<sup>th</sup> August, 2023    DIN: 00482035

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian dairy sector has witnessed a significant transformation, positioning itself as a crucial secondary source of income for millions of rural families. Moreover, it has emerged as a primary driver of employment and income generation. Notably, the milk production in India has reached to an impressive level of 221 MT during the year 2021-22. This growth signifies the sector's remarkable progress and its vital contribution to meeting the nutritional needs of the population while fostering economic development.

The future prospects for the dairy industry are promising. The market for liquid milk is projected to grow in double digits over the next 5 years. Additionally, value added dairy products such as Cheese, Flavored Milk, Dahi, Lassi, Chachh and Nutritional Ingredients i.e. Casein, Whey Protein Concentrate and Lactose are expected to experience a robust growth rate. Traditional dairy products like Paneer, Ghee, Ice-Cream, etc., are expected to continuously grow. These projections highlight the immense potential of the Indian Dairy Sector, signifying its vital role in the

economy and its ability to meet the evolving needs and preferences of consumers.

#### **OPPORTUNITIES AND THREATS**

As disposable income increases, consumers are likely to seek more value added quality dairy products, presenting opportunities for premium and value-added offerings. Further, there is an increasing trend towards healthier food choices, creating a demand for hygienic, low-fat, and functional dairy products that cater to health-conscious consumers. Moreover, India has the potential to become a significant player in the global dairy market, provided industry is able to leverage its large-scale production with competitive pricing.

Continued innovation and adoption of advanced technologies in dairy farming, milk processing and distribution will help in enhancing the productivity, reduce costs and improve product quality.

With all these factors the dairy industry is all set for a bright future and growth in value added dairy products segment.

The export of Milk Products from the country are in direct competition from the global markets. It is imperative that our milk production cost is also competitive against global supply chain.

#### **RISK AND CONCERN**

Fluctuations in the prices of animal feed, fodder, and other inputs can impact the input prices of raw material i.e. milk. Natural disasters, droughts and other weather-related events can affect milk production and availability of feed, impacting the overall performance of the sector.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

To provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements, management maintains a system of accounting and controls including an internal audit process. Internal controls are supported by management reviews.

The Board of Directors have an Audit Committee that is chaired by an Independent Director. The Committee meets periodically with Management, Internal Auditor, Statutory Auditors to review the Company's program of internal controls, audit plans and results, recommendations of the auditors and management's responses to those recommendations.



**FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS**

During this Financial Year the industry witnessed improved demand of Dairy products. The prices of milk started rising after Q1 of F.Y. 2022-23 and remained high throughout the year. The Company's operating team worked relentlessly which resulted in operating profits of Rs. 18,09 Lacs this year against Rs. 11,47 Lacs previous year.

**HUMAN RESOURCES**

The Company regards its employees as valuable asset and continuously reviews and evolves policies and procedures to attract and retain its pool of technical and managerial personnel through a conducive work environment.

As at 31<sup>st</sup> March, 2023, the Company had a total workforce of 419 persons.

**CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report may contain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the Company's operations such as Government policies, political and economic developments and such other factors are risk inherent to the Company's growth.

By order of the Board of Directors  
For Modern Dairies Limited

Place: Chandigarh      Chairman & Managing Director  
Date: 11<sup>th</sup> August, 2023      Krishan Kumar Goyal  
DIN: 00482035

**ANNEXURE 'A' TO DIRECTORS' REPORT**
**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
THE MEMBERS,  
MODERN DAIRIES LIMITED.  
CIN: L74899HR1992PLC032998  
136, K.M. G.T. ROAD, KARNAL,  
HARYANA-132001.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MODERN DAIRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon. Based on my verification of the MODERN DAIRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by MODERN DAIRIES LIMITED ("The Company") for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable as the company has not issued any securities during the financial year under review.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable, as none of the securities of the company were delisted during the audit period
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the company has not bought back any of its securities during the financial year under review.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company: -

- a) Industrial Disputes Act, 1947
- b) The Payment of Wages Act, 1936
- c) The Minimum Wages Act, 1948
- d) Employees' State Insurance Act, 1948
- e) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- f) The Payment of Bonus Act, 1965.
- g) The Payment of Gratuity Act, 1972
- h) The Contract Labour (Regulation & Abolition) Act, 1970
- i) The Maternity Benefit Act, 1961
- j) The Child Labour (Prohibition & Regulation) Act, 1986
- k) The Employees' Compensation Act, 1923
- l) Equal Remuneration Act, 1976
- m) Water (Prevention and Control of Pollution) Act, 1974
- n) Water (Prevention and Control of Pollution) Cess Act, 1977
- o) Air (Prevention and Control of Pollution) Act, 1981
- p) Environment (Protection) Act, 1986
- q) Food safety and standard Act, 2006 and rules made there under

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. *Director's remuneration is not admissible as prescribed in Sec-197 of Companies Act, 2013 except in accordance*

with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required. The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration to Mr. Ashwani Kumar Aggarwal (Executive Director) amounting to Rs. 35,81,520.

Apart from the managerial remuneration for quarter ended 31<sup>st</sup> March, 2023, as mentioned above the company has paid director remuneration of Rs. 2,50,01,962 without complying the provisions of Schedule V of the companies Act, 2013.

- b. The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except filing of Compliance Certificate for the quarter ended on September 30, 2022 and December 31, 2022 as per BSE Circular No. 20221028-15 dated October 28, 2022. However, the Company has maintained the Structured Digital Database (SDD) as per the requirements of Reg 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 and company has also complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- During the year under review, the Company has filed all the forms and returns with the Registrar of Companies.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- The Company has obtained all necessary approvals under the various provision of the act.
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act and any other Act against/on the Company, its directors and officers.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Sanger & Associates  
Company Secretaries**

CS Rajeev Kumar Sanger  
M NO. A58369  
C.P NO.22007

Place: Panchkula  
Date: 31.07.2023

UDIN: A058369E000707545

**Annexure:-A**

To,  
The Members,  
MODERN DAIRIES LIMITED.  
CIN: L74899HR1992PLC032998  
136, K.M. G.T. ROAD, KARNAL,  
HARYANA-132001.

Our Secretarial Audit report on even date, for the financial year 2022-23 is to be read along with this letter.

**Management Responsibility**

1. It is the responsibility of the management of the Company to maintain Secretarial records, devise proper system to ensure compliance with the provision of all applicable laws and regulation and to ensure that the system is adequate and operate effectively.

**Auditor responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial Compliances.
3. I believe that audit evidence and information obtained from the management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the management's representation about compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affair of the Company.
6. I have not verified the correctness and appropriate of financial records and books of account of the Company.

**For Sanger & Associates  
Company Secretaries**

CS Rajeev Kumar Sanger  
M NO. 58369  
C.P NO.22007

Place: Panchkula  
Date: 31.07.2023

UDIN: A058369E000707545

**ANNEXURE 'B' TO DIRECTORS' REPORT**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31<sup>st</sup> March, 2023**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
i) CIN	L74899HR1992PLC032998
ii) Registration Date	22 <sup>nd</sup> April, 1992
iii) Name of the Company	Modern Dairies Limited
iv) Category / Sub-Category of the Company	Public Limited Listed Company
v) Address of the Registered office and contact details	136 K.M., G.T. Road, Karnal-132001 (Haryana), Tel: +91-172-2609001/2, Fax: +91-172-2609000, E- mail:secretarial@moderndairies.com, Website: www.moderndairies.com
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. MCS Share Transfer Agent Ltd., F-65, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020, Tel.No.: +91-11- 41406149, Fax No.: +91-11- 41709881, E-mail: admin@mcsregistrars.com, Website: www.mcsregistrars.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company are as follows:-

Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1. Pure Desi Ghee	15203	30.53
2. Cheese	15203	15.02
3. Lactose	15209	12.63

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Nil**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2022)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2023)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	7935287	-	7935287	34.03%	7940387	-	7940387	34.03%	0.02%
b) Bodies Corp.	2719492	-	2719492	11.66%	2719492	-	2719492	11.66%	-
<b>Total Shareholding of Promoter (A)</b>	<b>10654779</b>	<b>-</b>	<b>10654779</b>	<b>45.69%</b>	<b>10659879</b>	<b>-</b>	<b>10659879</b>	<b>45.71%</b>	<b>0.02%</b>

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2022)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2023)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	200	9200	9400	0.04%	200	9200	9400	0.04%	-
<b>Sub-total (B)(1):-</b>	<b>200</b>	<b>9200</b>	<b>9400</b>	<b>0.04%</b>	<b>200</b>	<b>9200</b>	<b>9400</b>	<b>0.04%</b>	<b>-</b>
2. Non-Institutions									
a) Bodies Corp- Indian	131994	14800	146794	0.63%	164791	14800	179591	0.77%	0.14%
b) Individuals share-holders									
i) Holding nominal share capital upto Rs. 1 lakh	5220686	1613577	6834263	29.31%	4937128	1596177	6533305	28.02%	-1.29%
ii) holding nominal share capital in excess of Rs 1 lakh	5065781	12600	5078381	21.78%	5689135	12600	5701735	24.45%	2.67%
c). Others - NRIs	514044	82200	596244	2.56%	154051	81900	235951	1.01%	-1.55%
<b>Sub-total (B)(2):-</b>	<b>10932505</b>	<b>1723177</b>	<b>12655682</b>	<b>54.27%</b>	<b>10945105</b>	<b>1705477</b>	<b>12650582</b>	<b>54.25%</b>	<b>-0.02%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>10932705</b>	<b>1732377</b>	<b>12665082</b>	<b>54.31%</b>	<b>10945305</b>	<b>1714677</b>	<b>12659982</b>	<b>54.29%</b>	<b>-0.02%</b>
<b>Grand Total (A+B)</b>	<b>21587484</b>	<b>1732377</b>	<b>23319861</b>	<b>100.00%</b>	<b>21605184</b>	<b>1714677</b>	<b>23319861</b>	<b>100.00%</b>	<b>0.00%</b>

## (ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year as on 1 <sup>st</sup> April, 2022			Share holding at the end of the year as on 31 <sup>st</sup> March, 2023			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged to total shares	
1. Alka Goyal	2828972	12.13%	100%	2828972	12.13%	100%	-
2. Krishan Kumar Goyal	2297343	9.85%	100%	2297343	9.85%	100%	-
3. Krishan Kumar Goyal (HUF)	1280000	5.49%	100%	1280000	5.49%	100%	-
4. Aditya Goyal	878772	3.77%	100%	883872	3.79%	100%	0.02%
5. Chandigarh Finance Pvt. Ltd.	771892	3.31%	100%	771892	3.31%	100%	-
6. Shree Ganesh Invest. & Inds. Ltd.	720000	3.09%	100%	720000	3.09%	100%	-
7. Times Finvest and Commerce Ltd	670000	2.87%	100%	670000	2.87%	100%	-
8. Nabha Commerce Pvt. Ltd.	527600	2.26%	100%	527600	2.26%	100%	-
9. Amarjit Goyal	500200	2.14%	100%	500200	2.14%	100%	-
10. Amarjit Goyal (HUF)	150000	0.64%	100%	150000	0.64%	100%	-
11. Bharat Forgings Pvt. Ltd	30000	0.13%	100%	30000	0.13%	100%	-
<b>TOTAL</b>	<b>10654779</b>	<b>45.69%</b>	<b>100%</b>	<b>10659879</b>	<b>45.71%</b>	<b>100%</b>	<b>0.02%</b>

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

There is no significant change in the Promoters' shareholding during the year.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):\***

Name of the shareholder	Shareholding at the beginning of the year as on 1 <sup>st</sup> April, 2022		Purchase during the year	Sales during the year	Cumulative shareholding at the End of the year as on 31 <sup>st</sup> March, 2023	
	No. of shares	% of total shares of the company	No. of shares	No. of shares	No. of shares	% of total shares of the company
1. Shyamadevi Omprakash Agrawal	622608	2.67%	-	-	622608	2.67%
2. Laven Kumar Goyal	328555	1.41%	149119	1500	476174	2.04%
3. Rachanadevi Raju Agrawal	242818	1.04%	-	-	242818	1.04%
4. Ajay Goyal	237388	1.02%	-	-	237388	1.02%
5. Vijay Garg	205895	0.88%	-	-	205895	0.88%
6. Brijesh Vinubhai Patel	152936	0.66%	-	-	152936	0.66%
7. Sudhir Kumar	70343	0.30%	57895	-	128238	0.55%
8. Usha Singal	122287	0.52%	-	-	122287	0.52%
9. Chandra Prakash Gupta	110945	0.48%	6800	-	117745	0.50%
10. Gurpreet Singh Bhattal	16780	0.07%	92124	-	108904	0.47%

Note:

\*List of top 10 shareholders as on 31/03/2023.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Mr. Krishan Kumar Goyal (Chairman & Managing Director) and Mr. Ashwani Kumar Aggarwal (Executive Director) hold 22,97,343 and 400 shares respectively at the beginning and at the end of the year. Mr. Mukesh Sehgal, GM (Corporate Finance) and CFO and Ms. Shruti Joshi, Company Secretary hold Nil equity shares at the beginning and at the end of the year. There was no increase or decrease in the shareholding of Directors or KMP during the year.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment ₹ in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year as on 1<sup>st</sup> April, 2022</b>				
i) Principal Amount	1,43,41.07	25.00	-	1,43,66.07
ii) Interest due but not paid	81.78	-	-	81.78
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,44,22.85</b>	<b>25.00</b>	<b>-</b>	<b>1,44,47.85</b>

**Change in Indebtedness during the financial year**

- Addition	-	46.00	-	46.00
- Reduction	18,68.07	-	-	18,68.07
<b>Net Change</b>	<b>-18,68.07</b>	<b>46.00</b>	<b>-</b>	<b>-18,22.07</b>

**Indebtedness at the end of the financial year as on 31<sup>st</sup> March, 2023**

i) Principal Amount	1,24,73.00	71.00	-	1,25,44.00
ii) Interest due but not paid	81.78	6.33	-	88.11
iii) Interest accrued but not due	1,85.97	-	-	1,85.97
<b>Total (i+ii+iii)</b>	<b>1,27,40.75</b>	<b>77.33</b>	<b>-</b>	<b>1,28,18.08</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The remuneration of Directors and Key Managerial Personnel appears in the Corporate Governance Report and relevant note of the Balance Sheet.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

By order of the Board of Directors  
For Modern Dairies Limited

Place: Chandigarh  
Date: 11<sup>th</sup> August, 2023

Krishan Kumar Goyal  
Chairman & Managing Director  
DIN: 00482035

**ANNEXURE 'C' TO DIRECTORS' REPORT**

Information as per section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2023

**FORM 'A'**
**A) POWER AND FUEL CONSUMPTION**

	Current year 2022-23	Previous Year 2021-22
<b>POWER</b>		
<b>a) Electricity Power</b>		
Purchase Units (Kwh)	15432510	14783460
Total Amount	117058349	110372060
Rate per Unit	7.59	7.47
<b>b) Other Generation</b>		
<b>Through Diesel Generator</b>		
Unit (Kwh)	158225	112749
Total Amount	4448506	3115104
Unit per litre of Diesel Oil	3.21	2.93
Cost / Unit	28.12	27.63
<b>FUEL</b>		
Quantity (MT)	14669	15270
Total Amount Rs.	93817411	77718142
Rate / Unit Rs. per MT	6395.80	5089.56

**B) CONSUMPTION PER UNIT OF PRODUCTION**

Products: Liquid Milk, Skimmed Milk Powder, Whole Milk Powder, Dairy Whitener, Pure Ghee, Butter, Casein, WPC, Lactose etc.

Unit per 1000 kgs. of milk processed

Electricity (kwh)	86.27	86.78
Fuel Quantity (Kgs.)	67.35	83.73

**NOTE:**

As the Company manufactures several products, it is impracticable to apportion the utilities to different products. However, consumption of electricity and fuel has been given per thousand kgs. of milk processed.

**FORM 'B'**
**1. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company is regularly working on the continual improvement of its products looking at its customers / market requirements.

**2. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars with regard to Foreign Exchange earnings and outgo appear on the relevant note of the Balance Sheet.

By order of the Board of Directors  
For Modern Dairies Limited

Krishan Kumar Goyal  
Chairman & Managing Director  
DIN: 00482035

Place: Chandigarh  
Date: 11<sup>th</sup> August, 2023



**ANNEXURE - 'D' CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES' REPORT  
EXTRACT OF ANNUAL RETURN**

**MODERN DAIRIES LIMITED**

**as on the financial year ended 31<sup>st</sup> March, 2023**

(Annual Report on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 for Financial Year 2022-23)

1. Brief outline on CSR Policy of the Company:

- The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.  
The CSR Policy has been uploaded on the website of the Company at [www.moderndairies.com](http://www.moderndairies.com)

2. Composition of CSR Committee:

- Pursuant to Section 135(9) of the Companies Act, 2013, Provision of constituting CSR Committee is not applicable to the Company.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

- [www.moderndairies.com](http://www.moderndairies.com)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

- Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

- Not Applicable

6. Average net profit/ (loss) of the company as per section 135(5) for last three financial years:

- Rs. (587.55) Lakhs

7. Calculation of Below:

(a) Two percent of average net profit/(loss) of the company as per section 135(5)	Rs. (11.75) Lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c) Amount required to be set off for the financial year, if any	Nil
(d) Total CSR obligation for the financial year (7a+7b-7c).	Nil

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	Not Applicable				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Name	Mode of Implementation - Through Implementing Agency CSR Registration number.
				State.	District.							
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sr. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount allocated for the project (in Rs.).	(7) Mode of Implementation - Direct (Yes/ No).	(8) Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
Not Applicable									

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit/ (loss) of the company as per section 135(5)	(11.75) Lakhs
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sr. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details)**

(a)	Date of creation or acquisition of the capital asset(s)	N.A.
(b)	Amount of CSR spent for creation or acquisition of capital asset	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	N.A.
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

By order of the Board of Directors  
For Modern Dairies Limited

Krishan Kumar Goyal  
Chairman and Managing Director  
DIN: 00482035

Place: Chandigarh  
Dated: 12<sup>th</sup> May, 2023

## CORPORATE GOVERNANCE REPORT

In line with the requirement for providing a “Report on Corporate Governance” as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 of the Stock Exchange as applicable, given below is a Report on Company’s Corporate Governance norms:

### 1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Modern Dairies Limited is committed in adopting the best practices of Corporate Governance.

The Company endeavors to act on the principles of transparency, accountability, trusteeship, integrity and passion. The ultimate objective being of realizing long term shareholders values, while taking into account the interest of other stakeholders.

### 2. BOARD OF DIRECTORS

#### A. Composition and category of the Board of Directors

As on 31<sup>st</sup> March, 2023, the Board of Directors of the Company comprises of an optimum combination of Executive and Non-executive Directors. The Board consist of 5 Directors out of which 3(Three) are independent directors (including one women director) and 2(Two) are non-independent executive directors.

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of Companies Act, 2013. All the directors have made necessary disclosures about their directorships and the committee positions held by them in other companies during the year 2022-23.

A list of Directors including the Chairman of the Board, their status as Executive/Non-Executive and Independent/Non- Independent, their attendance at the Board meetings held during the year and no. of Directorships and Committee Chairmanships/Memberships held by them in other public companies for the year ended on 31<sup>st</sup> March, 2023 is set out below:

Name of the Director	Category of the Director	No. of Board meetings entitled to attend	No. of Board meetings attended	Last AGM attended	No. of other Directorships in Public Company	No. of Committee positions held in other public Companies		Relationship with directors inter-se
						Chairman	Member	
Mr. Krishan Kumar Goyal	Chairman & Managing Director Non Independent (Promoter) Director	5	5	Yes	1*	-	-	NA
Prof. Satish Kapoor	Non-Executive Independent Director	3	1	No	1**	3	-	NA
Dr. A.K. Vashisht	Non-Executive Independent Director	3	3	Yes	1**	-	3	NA
Dr. Renu Vig***	Non-Executive Independent Director	3	3	Yes	-	-	-	NA
Mr. A.K. Aggarwal	Non Independent Executive Director	5	5	Yes	-	-	-	NA
Dr. Sanjay Kaushik***	Non-Executive Independent Director	4	4	Yes	-	-	-	NA
Dr. Meena Sharma****	Non-Executive Independent Director	3	3	Yes	1	-	2	NA
Mr. Ajay Kumar Sharma*****	Non-Executive Independent Director	2	2	Yes	-	-	-	NA

\* Mr. Krishan Kumar Goyal is also a Chairman and Managing Director in Modern Steels Limited.

\*\* The tenure of Prof. Satish Kapoor and Dr. Avtar Krishan Vashisht has been completed and they ceased to be Directors of Company w.e.f. 30<sup>th</sup> September, 2022. Further, they are also Non-Executive Independent Directors in Modern Steels Limited.

- \*\*\* The tenure of Dr. Renu Vig has been completed and she ceased to be Directors of Company w.e.f. 30<sup>th</sup> September, 2022.
- \*\*\*\* Dr. Sanjay Kaushik is appointed as Non-Executive additional Independent Director w.e.f. 07<sup>th</sup> June, 2022.
- \*\*\*\*\* Dr. Meena Sharma is appointed as Non-Executive additional Independent Director w.e.f. 12<sup>th</sup> August, 2022 and also holding position as Non-Executive Independent Directors in Modern Steels Limited.
- \*\*\*\*\* Mr. Ajay Kumar Sharma is appointed as Non-Executive Additional Independent Directors w.e.f. 27<sup>th</sup> August, 2022.

**Note:** In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership/Chairmanship of the Audit Committee and Stakeholders Relationship Committee in other Public Limited Companies (listed/unlisted) have been considered.

#### B. Board Meetings and Attendance

During the financial year ended on 31<sup>st</sup> March, 2023, five meetings of Board of Directors were held. The details of Board Meetings held during the year are as under:

Date of Board Meeting	Board's Strength	No. of Directors Present
30 <sup>th</sup> May, 2022	5	5
12 <sup>th</sup> August, 2022	6	5
27 <sup>th</sup> August, 2022	7	6
14 <sup>th</sup> November, 2022	5	5
21 <sup>st</sup> January, 2023	5	5

None of the non- executive Directors are holding any equity shares in the Company.

**C. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are available with the Board:** Understanding of Industry, Leadership, Corporate Accounts & Finance, Production, Technical, Sales, Marketing, Branding, Risks, Administration and General Management, Board procedures and Corporate Governance.

#### List of Directors possessing the skills/expertise and competencies:

Name of the Directors	Skills/Expertise and Competencies
Mr. Krishan Kumar Goyal	Understanding of Industry, Leadership, Corporate Accounts & Finance, Production, Sales, Marketing, Administration, Board Procedures and Governance, General Management, etc.
Mr. A.K. Agarwal	Understanding of Industry, Leadership, Accounts & Finance, Production, Technical, Sales, Marketing, Branding, Board procedures and Governance, etc.
Prof. Satish Kapoor*	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Dr. A. K. Vashisht*	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Dr. Renu Vig*	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Dr. Sanjay Kaushik	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Dr. Meena Sharma	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.
Mr. Ajay Kumar Sharma	Corporate Accounts & Finance, Board Procedures and Corporate Governance, etc.

\* The tenure of Prof. Satish Kapoor, Dr. Avtar Krishan Vashisht and Dr. Renu Vig has been completed and they ceased to be Directors of Company w.e.f. 30<sup>th</sup> September, 2022.

#### D. Details of Independent Directors:

The Board hereby confirms that the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and are independent of the management.

In accordance with the provisions of Regulations 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has been conducting various familiarizing programme for independent directors. The details of such familiarization programme have been disclosed on the website of the Company.

### 3. AUDIT COMMITTEE

#### a. Terms of reference of Audit Committee

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is

lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

- (21) consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (22) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**The audit committee shall mandatorily review the following information:**

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses;
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (6) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

**b. Composition of Audit Committee**

- i. The Company has constituted an Audit Committee as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 177 of the Companies Act, 2013. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent directors and 1(one) is Executive and non-Independent Director.
- ii. The Chairperson of the Audit Committee is Dr. Sanjay Kaushik, who is a Non-Executive Independent Director.
- iii. All of the above Directors are financially literate and have accounting and related financial management expertise.
- iv. The Chairperson of the Audit Committee was present at the last Annual General Meeting to answer the Shareholders queries.
- v. The Company Secretary of the Company is the Secretary of the Audit Committee.
- vi. Audit Committee meetings are attended by Chief Financial Officer of the Company.

**c. Meetings and attendance of Audit Committee**

The Committee met five times during the year on 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 27<sup>th</sup> August, 2022 and 14<sup>th</sup> November, 2022 and 21<sup>st</sup> January, 2023.

**The composition and status of attendance of members at the Audit Committee held during the year 2022-23 is as under:**

Name of Director	Designation in Committee	No. of Meetings held	No. of Meetings entitled to attend	No. of Meetings attended
Prof. Satish Kapoor*	Chairman	5	3	1
Dr. A.K. Vashisht*	Member	5	3	3
Mr. A.K. Aggarwal	Member	5	5	5
Dr. Sanjay Kaushik**	Chairman/Member	5	4	4
Mr. Ajay Kumar Sharma***	Member	5	2	2

\* Prof. Satish Kapoor and Dr. Avtar Krishan Vashisht ceased to be member of Audit Committee w.e.f. 27<sup>th</sup> August, 2022.

\*\* Dr. Sanjay Kaushik is appointed as member of Audit Committee by Board in its meeting held on 30<sup>th</sup> May, 2022 and further appointed as Chairman of Audit Committee by Board in its meeting held on 27<sup>th</sup> August, 2022.

\*\*\* Mr. Ajay Kumar Sharma is appointed as member of Audit Committee by Board in its meeting held on 27<sup>th</sup> August, 2022

**4. NOMINATION AND REMUNERATION COMMITTEE****a. The terms of reference of the Committee are as follows:**

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

All members of the Nomination and Remuneration Committee are non-executive and persons of repute and have sound knowledge of management practices.

**b. Composition of Nomination and Remuneration Committee**

- i. The Company has constituted a Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.\
- ii. The Committee comprises of 3(three) Directors, all are Independent directors.
- iii. Mr. Sanjay Kaushik is the Chairman of the Nomination & Remuneration Committee.
- iv. The Chairperson of Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company.

**c. Meeting and attendance of Nomination and Remuneration Committee**

The Committee met 4 (four) times during the year on 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 27<sup>th</sup> August, 2022 and 14<sup>th</sup> November, 2022.

**The composition and status of attendance of members at the Nomination & Remuneration Committee held during the year 2022-23 is as under:**

Name of Director	Designation in Committee	No. of Meetings held	No. of Meetings entitled to attend	No. of Meetings attended
Prof. Satish Kapoor*	Chairman	4	3	1
Dr. A.K. Vashisht*	Member	4	3	3
Dr. Renu Vig*	Member	4	3	3
Dr. Sanjay Kaushik**	Member/Chairman	4	3	3
Dr. Meena Sharma***	Member	4	1	1
Mr. Ajay Kumar Sharma***	Member	4	1	1

\* Prof. Satish Kapoor, Dr. Avtar Krishan Vashisht and Dr. Renu Vig ceased to be member of Nomination & Remuneration Committee w.e.f. 27<sup>th</sup> August, 2022.

\*\* Dr. Sanjay Kaushik is appointed as member of Nomination & Remuneration Committee by Board in its meeting held on 30<sup>th</sup> May, 2022 and further appointed as Chairman of Nomination & Remuneration Committee by Board in its meeting held on 27<sup>th</sup> August, 2022.

\*\*\* Dr. Meena Sharma and Mr. Ajay Kumar Sharma are appointed as member of Nomination & Remuneration Committee by Board in its meeting held on 27<sup>th</sup> August, 2022.

**d. Performance evaluation criteria:** A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2022-23. Led by the Nomination and Remuneration Committee ('NRC'), the evaluation was carried out using individual questionnaires covering composition of Board, conduct as per Company values & beliefs, contribution towards development of strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc.

## 5. REMUNERATION OF DIRECTORS

The Executive Directors are paid remuneration as per the terms approved by the Board of Directors and confirmed by the shareholders of the Company. Service contracts are entered into in terms of regulations governing their appointment and terms of remuneration. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company etc. The remuneration structure comprises Basic Salary, Perquisites and Allowances, contribution to Provident Fund and other funds in accordance with various related provisions of the Companies Act, 2013. The Non-Executive Directors are paid sitting fee of Rs. 20,000 per Board Meeting and Rs.10,000 for Committee Meetings attended by them.

### a. Details of Remuneration paid to the Directors during the financial year ended 31<sup>st</sup> March, 2023 (Amount in Rs.)

Name of the Director	Salary	Perquisites	Benefits/PF	Stock Option	Sitting Fee	Total
Mr. Krishan Kumar Goyal	-	-	-	-	-	-
Prof. Satish Kapoor	-	-	-	-	50,000	50,000
Dr. A.K. Vashisht	-	-	-	-	1,00,000	1,00,000
Dr. Renu Vig	-	-	-	-	60,000	60,000
Dr. Sanjay Kaushik	-	-	-	-	1,60,000	1,60,000
Mr. Ajay Kumar Sharma	-	-	-	-	90,000	90,000
Dr. Meena Sharma	-	-	-	-	70,000	70,000
Mr. A.K. Aggarwal	35,81,520	-	-	-	-	35,81,520

- b. There was no pecuniary relationship or transactions of the non-executive Directors viz-a-viz the Company.
- c. The non-executive Directors are not paid any remuneration except the sitting fees for attending the Board/Committee meetings.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

- a. The Company has formed a Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
  - (2) Review of measures taken for effective exercise of voting rights by shareholders.
  - (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- b. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent directors and 1(one) is Executive and non-Independent Director. Mr. Ajay Kumar Sharma, non-executive Independent Director is the Chairman of the Committee nominated by Board.



- c. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting to answer the Shareholders queries.
- d. Ms. Shruti Joshi, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.
- e. The Committee met 4(four) times during the year on 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 21<sup>st</sup> January, 2023.

**The composition and status of attendance of members at the Stakeholder's Relationship Committee held during the year 2022-23 is as under:**

Name of Director	Designation in Committee	No. of Meetings held	No. of Meetings entitled to attend	No. of Meetings attended
Prof. Satish Kapoor*	Chairman	4	2	1
Mr. A.K. Aggarwal	Member	4	4	4
Dr. A.K. Vashisht*	Member	4	2	2
Dr. Sanjay Kaushik**	Member	4	3	3
Mr. Ajay Kumar Sharma***	Chairman	4	2	2

- \* Prof. Satish Kapoor and Dr. Avtar Krishan Vashisht ceased to be member of Stakeholder's Relationship Committee w.e.f. 27<sup>th</sup> August, 2022.
- \*\* Dr. Sanjay Kaushik is appointed as member of Stakeholder's Relationship Committee by Board in its meeting held on 30<sup>th</sup> May, 2022.
- \*\*\* Mr. Ajay Kumar Sharma is appointed as Chairman of Stakeholder's Relationship Committee by Board in its meeting held on 27<sup>th</sup> August, 2022.

f. Details of Complaints

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 following are the details of complaints received & resolved during 2022-23

Period	Complaints Received	Complaints Resolved*	Complaints Pending
01.04.2022-31.03.2023	1	1	0

During the year 2022-2023, the Company received a complaint from Mr. Ravichandran V vide SCORES Ref No. SEBIE/HY22/0000147/1 & BSE Ref. No. 20220300314 as on March 29, 2022, which was resolved on 02.04.2022 by Company.

## 7. GENERAL BODY MEETINGS

### • Annual General Meeting

The details of annual General meeting held in the last three years are as follows:

Financial Year	Location	Date	Time
2019-20	Registered office: 136 KM., G.T. Road, Karnal 132 001 (Haryana)	18 <sup>th</sup> December, 2020	11.00 A.M.
2020-21	Registered office: 136 KM., G.T. Road, Karnal 132 001 (Haryana)	29 <sup>th</sup> September, 2021	11.00 A.M.
2021-22	Registered office: 136 KM., G.T. Road, Karnal 132 001 (Haryana)	30 <sup>th</sup> September, 2022	11.00 A.M.

### • Special Resolutions passed in previous three AGMs:

- (i) In the 28<sup>th</sup> AGM dated 18<sup>th</sup> December, 2020, the following Special Resolutions were passed:

- (a) Re-appointment of Mr. Krishan Kumar Goyal (DIN: 00482035) as Chairman & Managing Director for second term of five consecutive years.
- (b) Re-appointment of Mr. Ashwani Kumar Aggarwal as Executive Director for second term of three consecutive years.
- (c) Re-appointment of Dr. Renu Vig as a Non-Executive Independent Director for second term of two consecutive years
- (d) Ratification of the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2021.
- (ii) In the 29<sup>th</sup> AGM dated 29<sup>th</sup> September, 2021, no Special Resolutions was passed.
- (iii) In the 30<sup>th</sup> AGM dated 30<sup>th</sup> September, 2022, the following Special Resolutions were passed:
  - (a) Appointment of Dr. Sanjay Kaushik (DIN: 09631258) as a Non-Executive Independent Director of the Company.
  - (b) Appointment of Dr. Meena Sharma (DIN: 07241589) as a Non-Executive Independent Director of the Company.
  - (c) Appointment of Mr. Ajay Kumar Sharma (DIN: 09710194) as a Non-Executive Independent Director of the Company

• **Extra-ordinary General Meeting**

During the year, no Extraordinary General Meeting of the Company was held.

- The Company has not passed any resolution through postal ballot during the financial year and as of now there is no proposal to pass any resolution through postal ballot.

**8. MEANS OF COMMUNICATION**

**Quarterly results:** The Quarterly /Half yearly/ Yearly results of the Company, and information relating to Annual General Meeting, Book Closures is published in The Financial Express and Jansatta i.e. in English and regional language newspaper and is also notified to the Stock Exchange as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, the Company also files quarterly results, Shareholding Pattern etc. in such form so as to enable Stock Exchange to put it on their website.

**Website:** [www.moderndairies.com](http://www.moderndairies.com)

**Annual Report:** The Annual Report containing Directors' Report, Corporate Governance Report, Auditors' Report, Audited Financial Statement is circulated to the members by email or by post.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

**Designated email-id:** The Company has designated following email ID exclusively for Investor Servicing: [secretarial@moderndairies.com](mailto:secretarial@moderndairies.com)

**Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders.**

**GENERAL SHAREHOLDER INFORMATION**

**1. Company Registration Details:**

The Company is registered in the State of Haryana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899HR1992PLC032998.

**2. Annual General Meeting:**

Day, Date & Time: Wednesday, 27<sup>th</sup> September, 2023 at 11:00 a.m.

Venue: Through Video Conferencing/other Audio Visual means.

**3. Financial Year**From 1<sup>st</sup> April, 2022To: 31<sup>st</sup> March, 2023**Financial Calendar(tentative) for:**

Adoption of Results for the quarter ended:	In the Month of (tentative)
30 <sup>th</sup> June, 2023	August, 2023 (2 <sup>nd</sup> week)
30 <sup>th</sup> September, 2023	November, 2023 (2 <sup>nd</sup> week)
31 <sup>st</sup> December, 2023	February, 2024 (2 <sup>nd</sup> Week)
31 <sup>st</sup> March, 2024	May, 2024
Annual General Meeting	By September, 2024

**4. Book Closure Date:**From 21<sup>st</sup> September, 2023 to 27<sup>th</sup> September, 2023 (both days inclusive)**5. Dividend Payment Date**

No Dividend is proposed for the Financial Year 2022-23.

**5. Listing on Stock Exchanges:**

Your Company's equity shares are listed at:

**BSE Limited (BSE)**Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001**6. Payment of Listing Fees and Depository Fees**

Your Company has made payment of Annual Listing Fees for Financial Year 2023-24 to the BSE Stock Exchange, where the securities of Company are listed.

Your Company has also made payment of Annual Custody/Issuer fee for Financial Year 2023-24 to NSDL &amp; CDSL.

**7. Stock Code:**

BSE: 519287

ISIN No. Equity: INE617B01011

**8. Stock Data:**

Month	MODERN DAIRIES LTD. ON BSE				BSE SENSEX		
	High Rs.	Low Rs.	Close Rs.	Volume	High	Low	Close
<b>2022</b>							
April	30.15	19.25	24.90	326032	60845.10	56009.07	57060.87
May	26.10	17.00	19.45	153785	57184.21	52632.48	55566.41
June	21.65	16.50	19.65	46997	56432.65	50921.22	53018.94
July	20.05	15.95	17.75	79057	57619.27	52094.25	57570.25
August	22.10	14.55	15.30	188490	60411.20	57367.47	59537.07
September	21.45	14.55	19.85	173778	60676.12	56147.23	57426.92
October	19.50	14.75	16.00	66560	60786.70	56683.40	60746.59
November	17.30	12.40	13.95	87081	63303.01	60425.47	63099.65
December	15.00	10.63	14.45	82831	63583.07	59754.10	60840.74
<b>2023</b>							
January	19.00	13.35	14.86	113074	61343.96	58699.20	59549.90
February	19.80	14.10	14.93	52873	61682.25	58795.97	58962.12
March	14.98	11.55	13.12	51152	60498.48	57084.91	58991.52

**9. Registrars and Share Transfer Agents (For Physical as well as for Demat Segment):**

M/s. MCS Share Transfer Agent Limited

F- 65, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020.

Tel.No.: +91-11- 41406149, Fax No.: +91-11- 41709881.

E-mail: admin@mcsregistrars.com, Website: www.mcsregistrars.com.

All shareholders of the Company can avail online services from our Registrars & Share Transfer Agents M/s. MCS Share Transfer Agent Limited, with regard to Investor Grievances. Please login on the site of M/s. MCS Share Transfer Agent Limited at [www.mcsregistrars.com](http://www.mcsregistrars.com) and click on Investors Services and you can register your queries/grievances and details as required by you. The registered queries/grievances on the site will be responded by M/s. MCS Share Transfer Agent Limited on priority basis.

**10. Share Transfer System:**

92.65% of the equity shares of the Company are in the electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. However, SEBI vide its press release on March 27, 2019 clarified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

**11. Distribution of Shareholdings as on 31<sup>st</sup> March, 2023:**

SHAREHOLDING		SHAREHOLDERS		NO. OF SHARES	
From	To	Number	% of total	Number	% of total
1	500	13275	83.74	2465217	10.57
501	1000	1348	8.50	1109768	4.76
1001	2000	550	3.47	855016	3.67
2001	3000	187	1.18	486163	2.08
3001	4000	79	0.49	285722	1.23
4001	5000	107	0.68	512565	2.20
5001	10000	142	0.90	1059388	4.54
10001	50000	126	0.80	2611484	11.20
50001	100000	14	0.09	1010467	4.33
100001	And above	24	0.15	12924071	55.42
<b>TOTAL</b>		<b>15852</b>	<b>100.00</b>	<b>23319861</b>	<b>100.00</b>

**Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2023:**

Category	No. of shares held	%age of shareholding
1. Promoters & Promoter Group	10659879	45.71%
2. Mutual Funds & Banks	9400	0.04%
3. Bodies Corporate (not included above)	179591	0.77%
4. Indian Public	12235040	52.47%
5. NRIs/OCBs	235951	1.01%
<b>TOTAL</b>	<b>23319861</b>	<b>100.00%</b>

**12. Dematerialization of Shares:**

The trading in Company's shares is permitted only in dematerialised form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Dematerialization record: The following data indicates the extent of Dematerialization of Company's shares as on 31<sup>st</sup> March, 2023:

No. of Shares: 2,16,05,184	92.647% of the total equity
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**13. Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**14. Plant Location of the Company:**

Registered Office & Works: 136 K.M., G.T. Road, Karnal 132 001(Haryana).

**15. Correspondence Address:**

All queries of investors regarding the Company's shares in Physical/D'mat form may be sent at the following addresses:

Modern Dairies Limited  
 SCO 98-99, Sub City Centre  
 Sector 34, Chandigarh-160022  
 Tel.: +91-172- 2609001, 2609002, 2609003  
 Fax.: +91-172- 2609000  
 E-mail:secretarial@moderndairies.com  
 Company's Website: www.moderndairies.com

M/s. MCS Share Transfer Agent Limited  
 F- 65, First Floor, Okhla Industrial Area  
 Phase-I, New Delhi 110 020  
 Tel. No.: +91-11- 41406149  
 Fax No.: +91-11- 41709881  
 E-mail: admin@mcsregistrars.com  
 Website: www.mcsregistrars.com

#### 16. Other Disclosures:

- a) Disclosure on materially significant related party transactions: Nil
- b) Details of non-compliance by listed Company, penalties: NA
- c) Detail of establishment of vigil mechanism, whistle blower policy:  
 The Company has established a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees to report concerns about unethical behavior. No person is denied access to the Chairman of the Audit Committee.
- d) Details of compliance with mandatory requirements:  
 The Company is complying with all the mandatory requirements as given by Stock Exchange/ Registrar of Companies.
- e) The Company is not having any subsidiary, therefore no policy for determining material subsidiaries.
- f) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.  
 The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- g) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Relevant Note to the Financial Statements.
- h) Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees are covered under this Policy.  
 As per the said Policy, an Internal Complaints Committee is also in place to redress complaints received regarding sexual harassment. No complaints were received during financial year 2021-22.

#### **Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company's code of conduct.**

The Shareholders,

I, Krishan Kumar Goyal, Chairman and Managing Director of the Company do hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Board of Directors, as applicable to the Board of Directors and Senior Management of the Company.

For Modern Dairies Limited

Krishan Kumar Goyal  
 Chairman & Managing Director  
 DIN: 00482035

Place: Chandigarh  
 Date: 11<sup>th</sup> August, 2023

**Certificate on Compliance with the conditions of Corporate Governance under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

To,  
The Members of  
**MODERN DAIRIES LIMITED**  
136 K.M., G.T. ROAD, KARNAL, HR 132001 IN

I have examined the compliance of conditions of Corporate Governance by MODERN DAIRIES LIMITED (the company) (CIN: L74899HR1992PLC032998) for the year ended on 31<sup>st</sup> March 2023 as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information, and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as per the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, *except filing of Compliance Certificate for the quarter ended on September 30, 2022 and December 31, 2022 as per BSE Circular No. 20221028-15 dated October 28, 2022.*

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sanger & Associates**  
Company Secretaries

CS Rajeev Kumar Sanger  
M.NO 58369  
COP: 22007

UDIN: A058369E000712385

Place: Panchkula  
Date: 31.07.2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**Certificate Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members of  
MODERN DAIRIES LIMITED  
CIN: L74899HR1992PLC032998  
136 K.M., G.T. ROAD, KARNAL, HR 132001 IN**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MODERN DAIRIES LIMITED [CIN L74899HR1992PLC032998]** and having registered office at **136 K.M., G.T. ROAD, KARNAL, HR 132001 IN** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanger & Associates**  
Company Secretaries

CS Rajeev Kumar Sanger  
M.NO 58369  
COP: 22007

UDIN: A058369E000712321

Place: Panchkula  
Date: 31.07.2023

**INDEPENDENT AUDITORS' REPORT**

To

The Members of Modern Dairies Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Modern Dairies Limited, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

We have audited the standalone financial statements of Modern Dairies Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss, (statement of changes in equity) and the statement of cash flows 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report and Emphasis of Matters, these quarterly financial results as well as the year to end results are presented in accordance with requirements of Regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulations, 2015 in this regard and give a true and fair view of total comprehensive income comprising of net profit and other comprehensive income and financial information for the quarter ended 31<sup>st</sup> March, 2023 and for the year ended March 31<sup>st</sup>, 2023.

**Basis for Qualified Opinion**

*Director's remuneration is not admissible as prescribed in Sec-197 of companies Act, 2013 except in accordance with the provision of Schedule V and if it is not able to comply with such provisions, the prior approval of lenders is required.*

*The Company is not eligible to pay director remuneration for non-compliance of conditions prescribed in schedule V of the companies Act, 2013. During the year, the company has given the director remuneration to Mr. Ashwani Kumar Aggarwal (Executive Director) amounting to Rs. 35,81,520 (for current quarter Rs.8,95,380).*

Apart from the managerial remuneration for the year ended 31<sup>st</sup> March, 2023, as mentioned above



the company has paid director remuneration of Rs. 2,50,01,962 /- till date without complying the provisions of Schedule V of the companies Act, 2013.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **EMPHASIS OF MATTER**

##### **(A) Interest provisioning on various facilities from lenders**

The Company has settled all the dues of the lenders namely PNB, Edelweiss ARC Limited (Earlier State Bank of India) by the way of OTS & restructuring. The OTS & restructuring scheme is under implementation and interest due there on has been accounted for.

Since, the account with various banks have turned NPA in the previous years, the company has not provided interest on the credit facilities subsequent to the accounts having been declared NPA. In case the OTS/ restructuring scheme fails, the Company will have to provide for Interest from the date of accounts becoming non performing asset. Such interest amounts for the year ended 31<sup>st</sup> March, 23, Rs. 42.99 crores. This will effect the stated current liabilities & profits for the current year 31<sup>st</sup> March, 23, to that extent.

#### **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, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e. There are no observations or comments on financial transaction or matters which may have adverse effect on the functioning of the company except mentioned in the basis for qualified opinion.
- f. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is not in accordance with the provisions of section 197 of the Act; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  2. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

4. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) during the year by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company during the year from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
5. No dividend has been declared or paid during the year by the Company
6. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

FOR APT & CO LLP  
Chartered Accountants

CA. Amrit Pal Singh  
Partner

Place: Chandigarh  
Date: 12<sup>th</sup> May, 2023

Membership no. 508134  
(Firm Registration No. 014621C/  
N500088)  
UDIN: 23508134BGYDZE7987

**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of the company for the year ended 31<sup>st</sup> March, 2023. To the best of our knowledge and belief and information & explanation given to us, we further report that:-

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals which in our opinion is appropriate having regards to size of the company and nature of its assets. No material discrepancies have been noticed during the year.
- (c) Based on our examination of these records and other sufficient appropriate audit evidences, in our opinion, the title deeds of all the immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible or both during the year ended March 31, 2023.
- (e) There are no proceedings initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The inventory of the company has been physically verified by the management at reasonable intervals during the year and in our opinion the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed.
- (b) There has been no sanctioning of working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year ended March, 31 2023.
- (iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year ended on 31<sup>st</sup> march 2023.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause (iv) of the Order are not applicable.
- (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 (v) of the Order are not applicable.
- (vi) The company has made and maintained the cost records specified by central government under sub section (1) of section 148 of the companies Act.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service tax and value added tax on account of any dispute, are as follows:

**Statement of Disputed Dues**

Name of the statute	Nature of dues	Amount (in lacs)	Amount paid under protest (in lacs)	Period to which the amount relates	Forum where dispute is pending
The Haryana Murrah Buffalo and Other Milk Animal Breed (Preservation and Development of Animal Husbandry and Dairy Development Sector) Act, 2001	Milk Cess	2012.26	5,91.00	2001-02 to 2022-23	Hon'ble Supreme Court of India
The Haryana Murrah Buffalo and Other Milk Animal Breed (Preservation and Development of Animal Husbandry and Dairy Development Sector) Act, 2001	Interest on milk cess	44085.72	-	2001-02 to 2022-23	Hon'ble Supreme Court of India

Haryana Water Resources Authority- Panchkula	Ground Water Ab- straction	46.816	-	24.12.20 to 15.09.21	Ground Water Consump- tion (in m <sup>3</sup> /per day) @ Rs.16/- per kl on 1100 kl per day to be charged by the HWRA AUTHORI- TY – Panchkula.
Haryana Tax on Entry of Goods into Local Areas Act, 2003	Entry Tax	164.58	-	2007-08 to 2018-19	Hon'ble Punjab & Haryana High Court

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause (viii) of the Order is not applicable to the Company.
- (ix) (a) The Company had defaulted on timely payment of credit facilities and interest thereon to Banks. The amount outstanding is Rs. 1,64,59.03 Lacs\* and date of irregularity is 31.10.2015 and 30.11.2015:  
\*It doesn't include interest of Rs. 42,99.13 Lacs not provided in books regarding various credit facilities till 31<sup>st</sup> March, 2023.
- (b) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender during the year.
- (c) There were no Term loans availed during the year under audit.
- (d) The Company has not availed funds on short term basis during the year under audit.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments and term loans during the year).
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit.
- (xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (b) During the year and up to the date of this report, no report under section 143 (12) of the Act has been filed by secretarial auditor or by the predecessor auditors or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There has been no Whistle blower complaint received during the year by the company.
- (xii) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special/statute applicable to Nidhi Company are not applicable to it.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind-AS.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause (xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The company is a Manufacturing company of milk and Milk Products registered under companies Act 2013. Hence, it is not required to obtain certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause c(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause d(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year or the immediately preceding financial year. However, while calculating the Profit, interest amounting to Rs. 4299.13 Lakhs (Previous year amounting to Rs. 3741.41 Lakhs) on various credit facilities was not provided in the books. Therefore, if interest on the above is provided in statement of profit and loss. There would be cash losses in the current year amounting to Rs. 2748.14 Lakhs (Previous Year amounting to Rs. 2590.66 Lakhs). Refer Point No. 2.12 in Notes to Accounts.
- (xviii) There has been no resignation of the statutory auditors during the year ended 31<sup>st</sup> March 2023.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which makes us to believe that no material uncertainty exists as on the date of the audit report, that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) Since Section 135 is not applicable to the company Hence in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule 9II of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) Since Section 135 of the companies Act 2013 is not applicable to the company. There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

For APT & CO LLP  
Chartered Accountants

CA Amrit Pal Singh  
Partner

Membership No. 508134  
(Firm Registration No. 014621C/N500088)  
UDIN: 23508134BGYDZE7987

Place: Chandigarh  
Date: 12<sup>th</sup> May, 2023

## **Annexure 2**

**Annexure to the Independent Auditor's Report of even date to the members of Modern Dairies Limited, on the financial statements for the year ended 31<sup>st</sup> March, 2023**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the financial statements of Modern Dairies Limited ("the Company") as of and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

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

2. The Company's Board of Directors 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 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's IFCoFR 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 IFCoFR 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**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For APT & CO LLP**  
Chartered Accountants

Place: Chandigarh  
Date: 12<sup>th</sup> May, 2023

CA Amrit Pal Singh  
Partner  
Membership No. 508134  
(Firm Registration No. 014621C/N500088)  
UDIN: 23508134BGYDZE7987

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023**
*(All amounts in ₹ lacs, unless stated otherwise)*

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	28,56.34	29,72.33
(b) Capital work-in-progress		87.40	-
(c) Other Intangible assets	3	2.21	3.06
(d) Financial Assets			
(i) Investments	4	1.33	1.33
(ii) Loans and advances	5	4,61.67	3,47.66
(e) Deferred tax assets (net)	6	-	-
		<u>34,08.95</u>	<u>33,24.38</u>
<b>2) Current assets</b>			
(a) Inventories	7	27,15.78	14,13.72
(b) Financial Assets	8	2.76	-
(i) Trade receivables	9	18,92.83	3,21.47
(ii) Cash and cash equivalents	10	23.57	6,96.21
(c) Current Tax Assets(Net)	11	2,37.15	1,46.85
(d) Other current assets	12	2,28.71	2,69.51
(e) Asset Held for Disposal	13	1.60	1.60
		<u>51,02.40</u>	<u>28,49.36</u>
<b>Total Assets</b>		<u>85,11.35</u>	<u>61,73.74</u>
<b>EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
(a) Equity Share capital	14	23,35.89	23,35.89
(b) Other Equity	15	(1,19,27.58)	(1,31,40.18)
		<u>(95,91.69)</u>	<u>(1,08,04.29)</u>
<b>LIABILITIES</b>			
<b>2) Non-Current liabilities</b>			
(a) Long Term Provisions	16	1,26.70	1,17.50
(b) Deferred tax liabilities (Net)	17	-	-
		<u>1,26.70</u>	<u>1,17.50</u>
<b>3) Current liabilities</b>			
(a) Financial Liabilities			
(i) Short term borrowings	18	77.33	25.00
(ii) Trade payables	19	32,91.06	4,90.36
(iii) Other financial liabilities	20	1,27,40.75	1,44,22.85
(b) Other current liabilities	21	4,03.23	4,99.74
(c) Provisions	22	14,63.97	14,22.58
		<u>1,79,76.34</u>	<u>1,68,60.53</u>
<b>Total Equity and Liabilities</b>		<u>85,11.35</u>	<u>61,73.74</u>

This is the balance sheet referred to in our report of even date

For **APT & CO LLP**  
Chartered Accountants

**CA Amrit Pal Singh**  
Partner

Place: Chandigarh  
Date: 12<sup>th</sup> May, 2023

**Krishan Kumar Goyal**  
(Chairman & Managing Director)  
(DIN: 00482035)

**Mukesh Sehgal**  
(Chief Financial Officer)

For **Modern Dairies Limited**

**A K Aggarwal**  
(Director)  
(DIN: 00486430)

**Shruti Joshi**  
(Company Secretary)



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>REVENUE</b>			
I Revenue From Operations	23	<b>2,16,08.13</b>	2,40,52.16
II Other Income	24	<b>2,67.71</b>	1,64.53
<b>III Total Income (I+II)</b>		<b>2,18,75.84</b>	2,42,16.69
<b>IV EXPENSES</b>			
Cost of materials consumed	25	<b>1,62,42.24</b>	1,74,69.48
Changes in inventories of finished goods, Stock-in-Trade and work-inprogress	26	<b>(11,00.78)</b>	9,80.53
Employee benefits expense	27	<b>12,16.80</b>	11,79.67
Finance costs	28	<b>2,57.82</b>	8.23
Depreciation/ Impairment Loss and amortization expenses	29	<b>3,35.39</b>	6,43.88
Other expenses	30	<b>37,07.38</b>	34,39.68
<b>Total expenses (IV)</b>		<b>2,06,58.85</b>	2,37,21.47
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>12,16.99</b>	4,95.22
VI Exceptional Items		<b>1.38</b>	-
<b>VII Profit before tax (V-VI)</b>		<b>12,15.61</b>	4,95.22
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>IX Profit for the period from continuing operations (VII-VIII)</b>		<b>12,15.61</b>	4,95.22
<b>X Profit for the period</b>		<b>1,215.61</b>	495.22
<b>XI Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss	31	<b>(3,01)</b>	11.65
<b>XII Total Comprehensive Income for the period (X+XI)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>12,12.60</b>	5,06.88
<b>XIII Earnings per equity share (for continuing operation):</b>			
(1) Basic		<b>5.21</b>	2.12
(2) Diluted		<b>5.21</b>	2.12
<b>XIV Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		<b>5.21</b>	2.12
(2) Diluted		<b>5.21</b>	2.12

This is the statement of profit and loss referred to in our report of even date

For **APT & CO LLP**  
Chartered Accountants**CA Amrit Pal Singh**  
PartnerPlace: Chandigarh  
Date: 12<sup>th</sup> May, 2023**Krishan Kumar Goyal**  
(Chairman & Managing Director)  
(DIN: 00482035)**Mukesh Sehgal**  
(Chief Financial Officer)For **Modern Dairies Limited****A K Aggarwal**  
(Director)  
(DIN: 00486430)**Shruti Joshi**  
(Company Secretary)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>A Cash flow from operating activities:</b>		
Profit/(Loss) before tax	12,12.60	5,06.88
<b>Adjustments for:</b>		
Depreciation and amortisation	3,35.39	6,43.88
Provision for milk cess	59.06	59.06
Balances written off	4.13	8.65
Liabilities written back	(7.28)	(10.28)
Interest expense	2,57.82	8.23
Interest income	(5.97)	(6.16)
Employee benefits	27.08	25.77
Changes in Accounting policy/Prior Period Errors	-	(0.51)
Profit on sale of Property, Plant and Equipment	(2.72)	-
<b>Operating loss before working capital changes</b>	<b>18,80.10</b>	<b>12,35.52</b>
<b>Adjustments for movement in:</b>		
Increase/Decrease in long-term loans and advances	(23.71)	(1,31.06)
Increase/Decrease in inventories	(13,02.06)	9,62.82
Increase/Decrease in Financial Assets	(2.76)	57.05
Increase/Decrease in trade receivables	(15,71.36)	5,97.30
Increase/Decrease in other current assets	36.67	79.21
Increase/Decrease in Short term loans and advances	-	0.38
Increase/Decrease in Current Tax Assets	(90.30)	(81.73)
Increase/Decrease in long-term provisions	9.20	8.39
Increase/Decrease in trade payables	28,07.99	(10,22.75)
Increase/Decrease in other current liabilities	(96.50)	83.79
Increase/Decrease in short-term provisions	(44.75)	(28.97)
<b>Net cash generated from operations</b>	<b>16,02.53</b>	<b>17,59.95</b>
Taxes paid	90.30	81.73
<b>Net cash generated from operating activities</b>	<b>15,12.23</b>	<b>16,78.22</b>
<b>B Cash flow from investing activities:</b>		
Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods)	(3,07.04)	(1,95.59)
Proceeds from sale of fixed assets	3.81	-
Interest received	5.97	6.16
<b>Net cash used in investing activities</b>	<b>(2,97.26)</b>	<b>(1,89.43)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from Short terms borrowings	52.33	-
Increase/Decrease in Other financial liabilities	(10.14)	(31.46)
Interest/Principal paid	(19,29.80)	(8,69.60)
<b>Net Cash used in financing activities</b>	<b>(18,87.61)</b>	<b>(9,01.06)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,72.64)</b>	<b>5,87.73</b>
Cash and cash equivalents at the beginning of the year	6,96.21	1,08.48
<b>Cash and cash equivalents at the end of the period</b>	<b>23.57</b>	<b>6,96.21</b>
<b>Components of cash and cash equivalents:-</b>		
Cash in hand	6.85	9.69
Cheques in hand	-	4,90.10
Balances with Scheduled Banks		
In current accounts	16.72	1,96.42
<b>Cash and cash equivalents in cash flow statement:</b>	<b>23.57</b>	<b>6,96.21</b>

**Note:** The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

**Notes 1 to 45 form an integral part of these financial statements**

This is the cash flow statement referred to in our report of even date

For **APT & CO LLP**  
Chartered Accountants

**CA Amrit Pal Singh**  
Partner

Place: Chandigarh  
Date: 12<sup>th</sup> May, 2023

**Krishan Kumar Goyal**  
(Chairman & Managing Director)  
(DIN: 00482035)

**Mukesh Sehgal**  
(Chief Financial Officer)

For **Modern Dairies Limited**

**A K Aggarwal**  
(Director)  
(DIN: 00486430)

**Shruti Joshi**  
(Company Secretary)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**1. CORPORATE INFORMATION**

Modern Dairies Limited (the Company) is a public listed company incorporated under the provisions of the Companies Act 1956 on 20<sup>th</sup> April 1992. The Company is engaged in manufacturing of Milk products.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1) Basis of preparation of Financial Statements****i) Statement of Compliance**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013 and other accounting pronouncements of The Institute of Chartered Accountants of India.

**ii) Basis of Preparation**

Effective from 1<sup>st</sup> April 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind-AS 101, "First Time Adoption of Indian Accounting Standards, with 1<sup>st</sup> April 2016 as the transition date. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**iii) Classification of Assets and liabilities as Current and Non-Current**

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 Revised Schedule III to the Companies Act, 2013.

Based on the nature of services 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 twelve months for the purpose of current/ non-current classification of its assets and liabilities.

The Company's various credit facilities have been declared as NPA for which One-Time Settlement / Restructuring scheme is under implementation and as such the amounts of such credit facilities have been reclassified into current liabilities.

**2.2) Use of Estimates**

The preparation of financial statements, in conformity with Ind-AS require estimates and assumptions to be made by management, that may affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Changes in the estimates are reflected in the financial statements in the period changes are made, and if material their effects are disclosed in the notes to the financial statements.

**2.3) Property, Plant and Equipment and Depreciation**

Under the Indian GAAP, Property, plant and equipment were carried in the balance sheet on historical cost. The company has elected to regard the carrying values as deemed cost as per Para D7AA of Ind-AS 101 as on transition date i.e. 1<sup>st</sup> April 2016.

All tangible fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met. When a major inspection/repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

As per the provision of IND AS-16, major spare parts, stand-by equipment and servicing equipment qualify as property, plant and equipment when an entity expects to use them during more than one period and the company has elected to do the same.

Depreciation on tangible fixed assets has been provided on straight-line method according to the Schedule II of the Companies Act 2013.

**Assets held for Disposal**

Assets held for disposal are valued at lower of cost or Net realizable value in accordance with IND AS-105.

**2.4) Intangibles and Amortization**

Intangible assets are recognized if it is probable that the future economic benefits attributable to those assets will flow to the enterprise. Intangibles assets are amortized on straight line basis over their useful lives, which range from 1-5 years, determined on the basis of expected future economic benefits. The amortization period and method would be reviewed at the end of each financial year.

**2.5) Inventories**

The cost in respect of various items of inventory is computed as under:

- i) In case of Raw-material on FIFO Basis (net of GST).
- ii) In case of Work in Progress - Raw Material are valued at monthly average cost basis. Cost for this purpose includes direct cost and all appropriate allocable overheads.
- iii) In case of Finished Goods – Finished goods are valued at Cost or Net realizable value whichever is lower. Cost for this purpose includes direct cost on monthly average cost basis, all appropriate allocable overheads (net of GST)
- iv) Stock of Stores, spares & Fuel are valued at cost or net realizable value, whichever is lower and cost is computed on FIFO Basis (net of GST). Stocks in working condition are valued at depreciated value or realizable value whichever is less. Disposable and Used Stocks is valued at net realizable value.

**2.6) Foreign Exchange Transaction**

The transactions in Foreign exchange are accounted for at the exchange rates prevailing on the date of the transactions. The current assets and current liabilities are converted at the exchange rate prevailing at the last working day of the accounting year. The resultant gains/losses are recognized in the profit & loss account relating to current assets & current liabilities. Exchange differences on foreign currency transactions relating to fixed assets acquired from a country outside India have been adjusted to revenue.

**Forward Exchange contracts not intended for trading or speculation purpose**

In case of forward exchange contract, the premium or discount arising at the inception of such contract is amortized as income or expense over the life of contract as well as exchange difference on such contract i.e.

Difference between the exchange rate at the reporting/ settlement date and the exchange rate on the date of inception/ the last reporting date, is recognized as income/ expense for the year.

**2.7) Employees Benefits****(a) Short Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the financial reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as provision for employee benefit under short term provisions in the balance sheet.

**(b) Post Employment obligations**

The company operates the following post-employment schemes:

Defined benefit plan such as gratuity, provident fund

**(c) Defined benefit obligations**

The defined benefit obligations (Other than Provident Fund) are calculated annually by actuaries using the projected unit credit method. 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 related obligation.

The liability or asset recognized in the balance sheet in respect defined benefit obligations (except provident fund) is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets, if any.

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. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cos.

**(d) Provident Fund**

Retirement benefits in the form of provident fund and family pension fund whether in pursuance of law or otherwise is accounted on accrual basis and charged to statement of profit and loss of the year.

**(e) Bonus Payable**

The following bonus of previous financial years is payable; however, management of company is committed to pay the bonus dues in coming financial year.

Details as follows:

Financial year	Amount in ₹
2019-20	13,719
2020-21	24,502
2021-22	1,59,568

**2.8) Investments****(a) Classification**

The company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit & loss) and
- Those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses arising from fair valuation will either be recorded in profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made any irrevocable election at the time of initial recognition to account for the equity investment for fair value through other comprehensive income.

**(b) Measurement**

The company measures a financial asset at its fair value and in the case of financial assets not at fair value through profit and loss, at fair value including transaction cost that are directly attributable to the acquisition of the financial asset. Transaction cost of financial asset carried at fair value through profit and loss are expensed in profit or loss.

**2.9) Borrowing Costs**

To capitalize the borrowing costs that is directly attributable to the acquisition or Construction items of property, plant and equipment which take substantial period of time to get ready for their intended use. Other borrowing Costs are recognized as an expense in the year in which they are incurred, except as follows:

**a) Interest provisioning on various facilities from lenders**

The Company has settled all the dues of the lenders namely PNB, Edelweiss ARC Limited (Earlier State Bank of India) by the way of OTS & restructuring. The OTS & restructuring scheme is under implementation and interest due there on has been accounted for.

Since, the account with various banks have turned NPA in the previous years, the company has not provided interest on the credit facilities subsequent to the accounts having been declared NPA. In case the OTS/ restructuring scheme fails, the Company will have to provide for Interest from the date of accounts becoming non performing asset. Such interest amounts for the year ended 31<sup>st</sup> March, 23, Rs. 42.99 crores. This will effect the stated current liabilities & profits for the current year 31<sup>st</sup> March, 23, to that extent.

**2.10) Financial Instruments****a) Recognition and Initial measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition. Transaction costs in relation to financial assets and financial liabilities which are carried at fair value through profit or loss (FVTPL), are charged to the statement of profit and loss.

**b) Classification and subsequent measurement of financial assets****i) Debt Instruments**

For the purpose of subsequent measurement, financial assets in the nature of debt instruments are classified as follows:

**Amortized cost** – Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortized cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognized in the statement of profit and loss.

**Fair value through other comprehensive income (FVOCI)** – Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on de-recognition, cumulative gain or loss previously recognized in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognized in the statement of profit and loss.

**Fair value through profit or loss (FVTPL)** – A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Changes in fair value and income on these assets are recognized in the statement of profit and loss.

**ii) Equity Instruments**

The Company has made investment in equity instruments that are initially measured at fair value. These investments are strategic in nature and held on a long-term basis. Accordingly, the company has elected irrevocable option to measure such investments at FVOCI. The Company makes such election on an instrument-by-instrument basis. Pursuant to such irrevocable option, changes in fair value are recognized in the OCI and are subsequently not reclassified to the statement of profit and loss.

**c) Classification and subsequent measurement of financial liabilities**

For the purpose of subsequent measurement, financial liabilities are classified as follows:

**Amortized cost** – Financial liabilities are classified as financial liabilities at amortized cost by default. Interest expense calculated using EIR method is recognized in the statement of profit and loss.

**Fair value through profit or loss (FVTPL)** – Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognized in the statement of profit and loss.

**d) De-recognition of financial assets and financial liabilities**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows including risks and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged or expires.

**2.11) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST. Revenue is recognized net of returns, trade allowances, rebates, value added taxes and net of amount collected on behalf of the third parties.

**Revenue from Goods**

Revenue from goods comprise of value of sales of products (net of returns) and cash and trade discounts. Sales are recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control and the recovery of the consideration is probable.

**Revenue from Services**

Revenue from services are recognized in proportion to the stage of completion of transaction at the end of reporting period, and cost incurred in the transaction including same to complete the transaction and revenue (representing economic benefit associated with the transaction) can be measured reliably.

**Interest**

Interest income is recognized on a time proportion basis (accrual basis) taking into account the amount outstanding and the rate applicable.

Interest on electricity has been provisionally booked as there is no reasonable certainty of when the interest will be received.

**2.12) Taxes on Income**

Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period in

accordance with the Income Tax Act 1961. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

As per books, profit for the year ended 31.03.2023 is **Rs.1215.60 lacs**. However, while calculating the Profit, interest amounting to **Rs.4299.13 Lacs** on borrowings was not provided in the books (Refer to point No. 2.9(b) of notes to accounts for further details). Therefore, if interest on the above is provided in statement of profit and loss, the loss comes to Rs. 3083.53 lacs. Hence, deferred tax asset has not been recognized due to absence of virtual certainty supported by convincing evidence to the effect that sufficient future taxable income would be available against which deferred tax assets can be realized.

**2.13) Provisions for Contingent liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liabilities are disclosed by way notes.

**2.14) Earning Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by taking into the account the aggregate of the weighted average number of equity shares outstanding during the period and weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares

**2.15) Cash Flow Statement**

Cash and cash equivalents for the purpose of Statement of Cash Flows include bank balances, cheques and drafts on hand, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into cash. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of Statement of Cash flows. The cash flow statement has been in accordance with the Ind AS-7 on "Cash Flow Statements" issued by the Companies (Accounting Standard) Rules, 2013.

**2.16) Accounting policies not specifically referred to above are consistent with Indian Accounting Standards.**

### 3 Fixed assets For the year ended 31<sup>st</sup> March, 2023

Particulars	Gross block			Accumulated depreciation and amortisation				Net block			
	As on 1 April 2022	Additions during the Period	Sales / Adjustment during the Period	As on 31 March 2023	As on 1 April 2022	Depreciation for the Period	Depreciation as Exceptional Items	Impairment Loss	Sales / Adjustment during the Period	As on 31 March 2023	As on 31 March 2022
<b>Tangible assets</b>											
Freehold land	1,89.93			1,89.93	-					1,89.93	1,89.93
Buildings	13,20.76	21.30		13,42.06	3,75.91	63.48			4,39.39	9,02.68	9,44.85
Plant and equipment	86,23.27	1,88.22		88,11.49	68,12.29	2,63.31			70,75.60	17,35.88	18,10.98
Furniture and fixture	15.34	2.64		17.98	8.87	1.04			9.91	8.07	6.47
Office equipments	42.66	7.48		50.14	27.60	4.58			32.18	17.96	15.06
Vehicles	23.32		10.12	13.20	18.28	2.13			9.03	11.38	5.04
<b>Total</b>	<b>1,02,15.28</b>	<b>2,19.64</b>	<b>10.12</b>	<b>1,04,24.80</b>	<b>72,42.95</b>	<b>3,34.54</b>	-	-	<b>9.03</b>	<b>75,68.46</b>	<b>29,72.33</b>
<b>Intangible assets</b>											
Computer software	13.84			13.84	10.78	0.85				11.63	2.21
<b>Total</b>	<b>13.84</b>	-	-	<b>13.84</b>	<b>10.78</b>	<b>0.85</b>	-	-	-	<b>11.63</b>	<b>3.06</b>
<b>Grand Total</b>	<b>1,02,29.12</b>	<b>2,19.64</b>	<b>10.12</b>	<b>1,04,38.64</b>	<b>72,53.73</b>	<b>3,35.39</b>	-	-	<b>9.03</b>	<b>75,80.09</b>	<b>29,75.39</b>

### For the year ended 31<sup>st</sup> March 2022

Particulars	Gross block			Accumulated depreciation and amortisation				Net block			
	As on 1 April 2021	Additions during the year	Sales / Adjustment during the year	As on 31 March 2022	As on 1 April 2021	Depreciation for the year	Depreciation as Exceptional Items	Impairment Loss	Sales / Adjustment during the year	As on 31 March 2022	As on 31 March 2021
<b>Tangible assets</b>											
Freehold land	1,89.93			1,89.93	-					1,89.93	1,89.93
Buildings	13,13.58	6.26		13,19.84	3,12.79	63.14			3,75.93	9,43.91	10,00.79
Plant and equipment	84,14.14	2,10.06		86,24.20	62,34.02	5,72.94			68,06.96	18,17.24	21,80.12
Furniture and fixture	14.27	1.07		15.33	7.90	0.96			8.86	6.47	6.37
Office equipments	21.74	2.08		23.82	11.79	2.30			14.09	9.74	9.95
Vehicles	9.55		-	9.55	1.77	2.74			-	4.51	7.78
<b>Total</b>	<b>99,63.21</b>	<b>2,19.46</b>	-	<b>1,01,82.68</b>	<b>65,68.27</b>	<b>6,42.07</b>	-	-	-	<b>72,10.34</b>	<b>33,94.94</b>
<b>Intangible assets</b>											
Computer software	13.84			13.84	8.97	1.81				10.78	3.06
<b>Total</b>	<b>13.84</b>	-	-	<b>13.84</b>	<b>8.97</b>	<b>1.81</b>	-	-	-	<b>10.78</b>	<b>4.87</b>
<b>Grand Total</b>	<b>99,77.05</b>	<b>2,19.46</b>	-	<b>1,01,96.52</b>	<b>65,77.24</b>	<b>6,43.88</b>	-	-	-	<b>72,21.12</b>	<b>29,75.39</b>

\*During the financial year 2017-18, the company had adopted IND AS 101, "First time adoption of IND AS" transition date was 01-04-2016. The transition of IND AS has been carried out from the accounting principles generally accepted in India (Indian GAAP). While adopting IND AS, Net Block of Property Plant & Equipment under Indian GAAP was considered as the fair market value and converted into Gross Block. The impact of this resulted in a reduction of the gross block by Rs 6621.78 Lacs.



	As at 31 March 2023 Amount in ₹ lacs	As at 31 March 2022 Amount in ₹ lacs
<b>4 Investments</b>		
<b>Non trade investments (at cost, unquoted)</b>		
Investment in equity shares (unquoted)	1.04	1.04
Aricent Technologies (Holdings) Limited (1,069 equity shares (Previous year 1,069) of ₹ 10 each fully paid up)		
Government securities		
National savings certificates (pledged with sales tax authorities)	0.29	0.29
	<u>1.33</u>	<u>1.33</u>
<b>5 Long-term loans and advances (unsecured considered good, unless otherwise stated)</b>		
Security deposits	4,61.67	3,47.66
	<u>4,61.67</u>	<u>3,47.66</u>
<b>6 Deferred tax Assets (net)</b>		
<b>Deferred tax assets</b>		
Unabsorbed depreciation as per tax laws (the deferred tax asset is restricted to the extent of deferred tax liability)	27.58	8.05
<b>Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation of tangible and intangible assets	27.58	8.05
<b>Deferred tax Assets (net)</b>	<u>-</u>	<u>-</u>
<b>7 Inventories</b> (valued at lower of cost and net realisable value)		
Raw materials	1,32.68	1,20.01
Work-in-progress	77.31	1,49.05
Finished goods	17,19.10	5,46.58
Stores and spares	3,95.08	3,25.17
Carbon Credit Units	70.04	-
Packing materials	3,21.57	2,72.91
	<u>27,15.78</u>	<u>14,13.72</u>
<b>8 Financial Assets</b>		
Fixed Deposits	2.76	-
	<u>2.76</u>	<u>-</u>
<b>9 Trade receivables (Unsecured)</b>		
Considered doubtful	17.04	17.04
Less: Allowance for bad and doubtful debts	17.04	17.04
	-	-
Considered good	18,92.83	3,21.47
	<u>18,92.83</u>	<u>3,21.47</u>
<b>Debts outstanding for a period:</b>		
Less than 6 months	18,82.66	3,14.41
From 6 months to 1 year	7.27	7.03
From 1 year to 2 year	-	0.03
From 2 year to 3 year	-	-
More than 3 years	2.90	-
<b>Total</b>	<u>18,92.83</u>	<u>3,21.47</u>
<b>10 Cash and bank balances</b>		
(i) Cash and cash equivalents		
- Cash in hand	6.85	9.69
- Cheques in hand	-	4,90.10
(ii) - Balances with banks		
in current account	16.72	1,96.42
	<u>23.57</u>	<u>6,96.21</u>

	As at 31 March 2023 Amount in ₹ lacs	As at 31 March 2022 Amount in ₹ lacs
<b>11 Current Tax Assets</b>		
Tax Deducted at Source Recoverable	2,10.71	1,14.91
TCS Recoverable	5.24	20.62
TDS Recoverable	21.20	11.32
	<u>2,37.15</u>	<u>1,46.85</u>
<b>12 Other Current Assets</b>		
Prepaid expenses	44.04	35.07
Advances to suppliers	26.95	96.20
Balances with statutory and government authorities	92.24	27.93
Others	65.48	1,10.31
	<u>2,28.71</u>	<u>2,69.51</u>
<b>13 Asset Held for Disposal</b>		
Asset Held for Disposal	1.60	1.60
	<u>1.60</u>	<u>1.60</u>

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount in ₹ lacs	Number	Amount in ₹ lacs
<b>14 Equity Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	3,00,00,000	30,00.00	3,00,00,000	30,00.00
Equity shares of ₹ 10 each	<u>3,00,00,000</u>	<u>30,00.00</u>	<u>3,00,00,000</u>	<u>30,00.00</u>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	2,33,19,861	23,31.99	2,33,19,861	23,31.99
<b>Total</b>	<u>2,33,19,861</u>	<u>23,31.99</u>	<u>2,33,19,861</u>	<u>23,31.99</u>
<b>Forfeited shares</b>				
Amount originally paid up	76,900	3.90	76,900	3.90
		<u>23,35.89</u>		<u>23,35.89</u>

- (a) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the 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.
- (b) There is no movement in equity share capital during the current year and previous year.

Reconciliation of share capital (Equity)	As at 31 March 2023 Amount in ₹ lacs		As at 31 March 2022 Amount in ₹ lacs	
	Number	Amount	Number	Amount
<b>Balance at the beginning of the year</b>	2,33,58,900	23,35.89	2,33,58,900	23,35.89
Add: Issued during the year	-	-	-	-
Add: Bonus issues made during the year	-	-	-	-
Add: Issued pursuant to the scheme of merger	-	-	-	-
Add: Shares issued pursuant to a contract without payment being received in cash	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Balance at the end of the year</b>	<u>2,33,58,900</u>	<u>23,35.89</u>	<u>2,33,58,900</u>	<u>23,35.89</u>

- (c) Shareholders holding more than 5% of the shares

	As at 31 March 2023 Amount in ₹ lacs			As at 31 March 2022 Amount in ₹ lacs		
	Number	Amount	% of holding	Number	Amount	% of holding
Equity shares of ₹10 each						
Alka Goyal	28,28,972	2,82.90	12.13%	28,28,972	2,82.90	12.13%
Krishan Kumar Goyal	22,97,343	2,29.73	9.85%	22,97,343	2,29.73	9.85%
Krishan Kumar Goyal (HUF)	12,80,000	1,28.00	5.49%	12,80,000	1,28.00	5.49%
	<u>64,06,315</u>	<u>6,40.63</u>	<u>27.47%</u>	<u>64,06,315</u>	<u>6,40.63</u>	<u>27.47%</u>

- (d) The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

(e) **Detail of Shareholding by Promoters**

Particulars	As at 31 March 2023			As at 31 March 2022		
	Number	Amount in ₹ lacs	% of Total Shares of the company	Number	Amount in ₹ lacs	% of Total Shares of the company
Equity shares of ₹ 10 each						
Alka Goyal	2828972	282.90	12.13%	2828972	282.90	12.13%
Krishan Kumar Goyal	2297343	229.73	9.85%	2297343	229.73	9.85%
Krishan Kumar Goyal (HUF)	1280000	128.00	5.49%	1280000	128.00	5.49%
Aditya Goyal	883872	88.39	3.79%	878772	87.88	3.77%
Chandigarh Finance Pvt. Ltd.	771892	77.19	3.31%	771892	77.19	3.31%
Shree Ganesh Invest. & Inds. Ltd.	720000	72.00	3.09%	720000	72.00	3.09%
Times Finvest and Commerce Ltd	670000	67.00	2.87%	670000	67.00	2.87%
Nabha Commerce Pvt. Ltd.	527600	52.76	2.26%	527600	52.76	2.26%
Amarjit Goyal	500200	50.02	2.14%	500200	50.02	2.14%
Amarjit Goyal (HUF)	150000	15.00	0.64%	150000	15.00	0.64%
Bharat Forgings Pvt. Ltd	30000	3.00	0.13%	30000	3.00	0.13%
<b>Total</b>	<b>10659879</b>	<b>1065.99</b>		<b>10654779</b>	<b>1065.48</b>	

15 **Other Equity**

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstandings	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as on 31<sup>st</sup> March, 2021</b>	2,23.74	30,73.42	-	(1,69,43.71)	-	(1,36,46.55)
Changes in Accounting policy/Prior Period Errors	-	-	-	(0.51)	-	(0.51)
<b>Restated Balance at the beginning of the Reporting Period</b>	2,23.74	30,73.42	-	(1,69,44.22)	-	(1,36,47.06)
Profit for the period	-	-	-	4,95.22	-	4,95.22
Other Comprehensive Income for the period	-	-	-	11.65	-	11.65
<b>Total Comprehensive Income for the period</b>	2,23.74	30,73.42	-	(1,64,37.34)	-	(1,31,40.18)
Transaction with owners in capacity as owners	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-
Bonus Shares	-	-	-	-	-	-
Movement During the Period	-	-	-	-	-	-
<b>Balance as on 31<sup>st</sup> March, 2022</b>	2,23.74	30,73.42	-	(1,64,37.34)	-	(1,31,40.18)

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstandings	Retained Earnings	Debt Instruments through other comprehensive income	
<b>Balance as on 31<sup>st</sup> March, 2022</b>	2,23.74	30,73.42	-	(1,64,37.34)	-	(1,31,40.18)
Changes in Accounting policy/Prior Period Errors	-	-	-	-	-	-
<b>Restated Balance at the beginning of the Reporting Period</b>	2,23.74	30,73.42	-	(1,64,37.34)	-	(1,31,40.18)
Profit for the year	-	-	-	12,15.61	-	12,15.61
Other Comprehensive Income for the year	-	-	-	(3.01)	-	(3.01)
<b>Total Comprehensive Income for the year</b>	2,23.74	30,73.42	-	(1,52,24.74)	-	(1,19,27.58)
Transaction with owners in capacity as owners	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-
Bonus Shares	-	-	-	-	-	-
Movement During the Year	-	-	-	-	-	-
<b>Balance as on 31<sup>st</sup> March, 2023</b>	2,23.74	30,73.42	-	(1,52,24.74)	-	(1,19,27.58)

	As at 31 March 2023 Amount in ₹ lacs	As at 31 March 2022 Amount in ₹ lacs
<b>16 Long-term provisions</b>		
Provisions for gratuity	1,26.70	1,17.50
<b>The following table set out the status of the plan for gratuity as required under Indian Accounting Standard IND AS 19:</b>		
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year*	1,77.88	1,72.70
Service cost	14.21	14.03
Interest cost	12.86	11.74
Actuarial gain	3.01	(11.65)
Benefits paid	(38.56)	(8.94)
Projected benefit obligation at the end of the year*	1,69.40	1,77.88
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year*	1,69.40	1,77.88
Liability recognised in the balance sheet*	1,69.40	1,77.88
*This includes short term portion of ₹ 42.71 lacs (previous year ₹ 60.39 lacs) as disclosed under note 22.		
<b>Components of net gratuity costs are</b>		
Service cost	14.21	14.03
Interest cost	12.86	11.74
<b>Net gratuity costs</b>	<b>27.07</b>	<b>25.77</b>
<b>Other Comprehensive Income</b>		
Actuarial (gain)/loss for the year on PBO	3.01	(11.65)
<b>Actuarial Assumptions</b>		
<b>Economic Assumptions</b>		
Discount rate	7.38%	7.23%
Rate of increase in compensation level	5.00%	5.00%
Average remaining life (years)	17.18	17.66
<b>Demographic Assumptions</b>		
<b>Mortality table</b>		
	Indian assured lives mortality (1994-96)	Indian assured lives mortality (1994-96)
Retirement age	58	58
Withdrawal rates		
- upto 30 years	3%	3%
- from 31 to 44 years	2%	2%
- above 44 years	1%	1%
<b>17 Deferred tax liabilities (net)</b>	<b>As at 31 March 2023 Amount in ₹ lacs</b>	<b>As at 31 March 2022 Amount in ₹ lacs</b>
<b>Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation of tangible and intangible assets	27.58	8.05
<b>Deferred tax assets</b>		
Unabsorbed depreciation as per tax laws (the deferred tax asset is restricted to the extent of deferred tax liability)	27.58	8.05
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>-</b>
<b>18 Short term borrowings</b>		
Working capital borrowings from banks (secured)	-	-
Loan from Related Party	25.00	25.00
Loan from others (unsecured)	52.33	-
	<b>77.33</b>	<b>25.00</b>

Cash credit/export credit from banks, reclassified as other financial liabilities, are secured by way of hypothecation of current assets of the company comprising of raw material, stock in process, finished goods, stores and spares, goods-in-transit, receivables and any other security acceptable on pari-passu basis. It is also secured by equitable mortgage of fixed assets including land and building of the Company on pari-passu basis with other banks and is also guaranteed by the promoter of the Company.

**19 Trade payables**

	As at 31 March 2023 Amount in ₹ lacs		As at 31 March 2022 Amount in ₹ lacs	
Dues to micro and small enterprises	4,81.01		72.33	
Dues to others	28,10.05		4,18.03	
	<u>32,91.06</u>		<u>4,90.36</u>	
<b>Dues outstanding for a period:</b>	<b>MSME Creditors</b>	<b>Other Creditors</b>	<b>MSME Creditors</b>	<b>Other Creditors</b>
Less than 1 year	4,81.01	27,82.08	60.90	3,86.71
From 1 year to 2 years	-	27.06	0.27	23.62
From 2 years to 3 years	-	0.91	0.21	-
More than 3 years	-	-	10.95	7.70
<b>Total</b>	<u>4,81.01</u>	<u>28,10.05</u>	<u>72.33</u>	<u>4,18.03</u>

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Principal amount remaining unpaid	481.01	54.30
Interest due thereon	10.10	6.60
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the period	10.10	18.02
Further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

**20 Other financial liabilities**

	As at 31 March 2023 Amount in ₹ lacs	As at 31 March 2022 Amount in ₹ lacs
Dues to Banks	1,64,59.03	1,64,59.03
Interest accrued and due on borrowings	1,85.97	-
Interest accrued and due on borrowings	81.78	81.78
	<u>1,67,26.78</u>	<u>1,65,40.81</u>
<b>Less:</b>		
Advances to Banks	39,86.03	21,17.96
	<u>1,27,40.75</u>	<u>1,44,22.85</u>

The Company's various credit facilities have been declared as NPA for which One-Time Settlement / Restructuring scheme is under implementation and as such the amounts of such credit facilities have been reclassified into current liabilities.

**21 Other current liabilities**

	As at 31 March 2023 Amount in ₹ lacs	As at 31 March 2022 Amount in ₹ lacs
Current maturities of long term borrowings	-	-
Statutory & Other Dues	77.91	54.49
Employee related payables	1,17.24	1,22.05
Advance from customers	7.79	1,35.40
Security deposits	1,90.00	1,80.89
Creditors for capital goods	10.29	6.91
	<u>4,03.23</u>	<u>4,99.74</u>

**22 Provisions**

Provision for gratuity	42.71	60.39
Provision for milk cess	20,12.26	19,53.19
Less: Milk cess paid under protest	5,91.00	5,91.00
	<u>14,63.97</u>	<u>14,22.58</u>

	For the year ended 31 March 2023 Amount in ₹ Lacs	For the year ended 31 March 2022 Amount in ₹ Lacs
<b>23 Revenue</b>		
<b>Revenue from operations</b>		
Sale of products & Services		
Export	-	2,12.68
Domestic	2,16,08.13	2,38,39.48
<b>Revenue from operations</b>	<u>2,16,08.13</u>	<u>2,40,52.16</u>
<b>Details of products sold (contributing more than 10% of the total revenue)</b>		
Milk	91.43	39,64.30
Ghee	65,97.13	34,38.08
Cheese	32,44.93	30,53.03
Curd	7,19.21	36,26.45
Lactose	27,29.26	14,44.42
Others	82,26.17	85,25.88
	<u>2,16,08.13</u>	<u>2,40,52.16</u>
<b>24 Other income</b>		
Interest income		
- from banks	0.05	0.19
- others	5.92	5.97
Profit on sale of Property, Plant and Equipment	2.72	-
Gain on Foreign Exchange Fluctuation	-	2.52
Balances written off	7.28	10.28
Other Operating Revenue	1,40.79	1,21.99
Miscellaneous Income	1,10.95	23.58
	<u>2,67.71</u>	<u>1,64.53</u>
<b>25 Cost of materials consumed</b>		
Opening stock		
Raw materials	1,20.01	1,28.11
Packing materials	2,72.91	2,72.91
	<u>3,92.92</u>	<u>4,01.02</u>
Add: Purchases of raw materials during the year	1,47,56.02	1,58,60.47
Add: Purchases of packing materials during the year	15,47.55	16,00.91
	<u>1,63,03.57</u>	<u>1,74,61.38</u>
Less: Closing stock		
Raw materials	1,32.68	1,20.01
Packing materials	3,21.57	2,72.91
	<u>4,54.25</u>	<u>3,92.92</u>
	<u>1,62,42.24</u>	<u>1,74,69.48</u>
<b>26 Changes in inventories of finished goods and work-in-progress</b>		
Opening stock		
- Manufactured goods	5,46.58	16,07.97
- Work-in-progress	1,49.05	68.19
	<u>6,95.63</u>	<u>16,76.16</u>
Closing stock		
- Manufactured goods	17,19.10	5,46.58
- Work-in-progress	77.31	1,49.05
	<u>17,96.41</u>	<u>6,95.63</u>
	<u>(11,00.78)</u>	<u>9,80.53</u>
<b>27 Employee benefit expense</b>		
Salaries, wages and bonus	11,61.92	11,26.06
Contribution to provident and other defined contribution funds	49.84	49.80
Staff welfare expenses	5.04	3.81
	<u>12,16.80</u>	<u>11,79.67</u>

28 Finance costs	For the year ended 31 March 2023 Amount in ₹ Lacs	For the year ended 31 March 2022 Amount in ₹ Lacs
Interest expenses		
- to banks	2,19.38	0.11
- others	38.44	8.12
	<u>2,57.82</u>	<u>8.23</u>
<b>29 Depreciation/ Impairment Loss and amortization expenses</b>		
Depreciation/ Impairment Loss and amortization expenses of tangible assets	3,34.54	6,42.07
Amortisation of intangible assets	0.85	1.81
	<u>3,35.39</u>	<u>6,43.88</u>
<b>30 Other expenses</b>		
Consumption of stores and spare parts	7,51.80	6,36.28
Power and fuel	21,68.39	19,22.93
Rent	43.97	45.20
Repairs to		
- building	41.28	66.35
- machinery	73.41	88.69
- others	9.97	9.09
Insurance	16.37	22.11
Legal and professional expenses	1,03.00	48.52
Payment to auditors	11.90	8.82
Rates and taxes	44.10	53.21
Travelling and conveyance	85.95	85.16
Provision for milk cess	59.06	59.06
Freight and forwarding charges	81.82	1,73.39
Other Manufacturing exp.	54.45	41.65
Miscellaneous expenses	1,61.91	1,79.22
	<u>37,07.38</u>	<u>34,39.68</u>
<b>31 Other Comprehensive Income</b>		
Actuarial Gain/(Loss) on Obligation	(3.01)	11.65
	<u>(3.01)</u>	<u>11.65</u>
<b>32 Contingent Liabilities &amp; Commitments</b>		
<b>Contingent Liabilities:</b>	<b>As at 31 March 2023 Amount in ₹ Lacs</b>	<b>As at 31 March 2022 Amount in ₹ Lacs</b>
a) Claim against the Company not acknowledged as debts	-	-
b) Other money for which Company is contingent liable	2,11.39	1,98.55
<b>Commitments:</b>		
a) Estimated amounts of contractors remaining to be executed On capital accounts and not provided for	-	-
b) Letter of credited against import of material	-	-
<b>33</b> For the year 2022-23 interest accrued on credit facilities from lenders amounting to Rs. 42,99.13 lacs has not been provided in the statement of profit and loss account as on 31 March 2023, as these facilities have been categorized as NPA.		

**34 Earnings per share:**

	<b>As at 31 March 2023 Amount in ₹ Lacs</b>	<b>As at 31 March 2022 Amount in ₹ Lacs</b>
Profit / (Loss) after taxation as per Statement of profit and Loss (₹ in lacs)	12,15.60	4,95.22
Equity shares outstanding	2,33,19,861	2,33,19,861
Basic earnings per share in rupees (face value ₹ 10/- each)	5.21	2.12
Diluted earnings per share in rupees (face value ₹ 10/- each)	5.21	2.12

**35 Payment to Auditors\***

Audit Fees	8.06	6.75
Tax Audit fees	0.75	0.75

\*Exclusive of GST

**36 Statement of Turnover and Closing Stock**

Quantity in kgs.

Particulars	Turnover	Finished Goods		Work in Process	
		Closing Stock	Opening Stock	Closing Stock	Opening Stock
<b>GHEE</b>					
Current Year	12,70,760	1,12,400	22,855	-	-
Previous Year	9,04,230	22,855	2,08,121	-	-
<b>S.M.P</b>					
Current Year	44,804	336	2,815	3,275	2,950
Previous Year	1,05,874	2,815	1,04,731	2,950	-
<b>D.W</b>					
Current Year	1,42,600	2,000	-	-	-
Previous Year	1,45,075	-	15,000	-	-
<b>W.M.P</b>					
Current Year	52	-	-	-	5,735
Previous Year	2,102	-	4,150	5,735	-
<b>BUTTER</b>					
Current Year	40	-	6,180	-	-
Previous Year	-	6,180	4,820	-	-
<b>CHEESE</b>					
Current Year	9,08,705	81,890	37,884	-	-
Previous Year	10,20,650	37,884	85,957	-	-
<b>CASEIN</b>					
Current Year	25,250	29,925	22,950	-	-
Previous Year	76,531	22,950	15,425	-	-
<b>LACTOSE</b>					
Current Year	13,11,300	1,47,575	28,125	-	-
Previous Year	7,70,550	28,125	20,850	-	-
<b>W.P.C 35</b>					
Current Year	1,08,450	92,925	14,300	-	-
Previous Year	1,82,125	14,300	52,900	-	-



Particulars	Turnover	Finished Goods		Work in Process	
		Closing Stock	Opening Stock	Closing Stock	Opening Stock
<b>W.P.C 70</b>					
Current Year	58,300	4,600	40	-	-
Previous Year	50,040	40	5,040	-	-
<b>Cream</b>					
Current Year	-	-	-	10,300	-
Previous Year	-	-	-	-	2,000
<b>Skimmed Milk</b>					
Current Year	-	-	-	39,115	51,943
Previous Year	-	-	-	51,943	76,384
<b>Lactose Liquid</b>					
Current Year	-	-	-	19,756	40,246
Previous Year	-	-	-	40,246	13,235
<b>WPC 35 Liquid</b>					
Current Year	-	-	-	1,665	2,600
Previous Year	-	-	-	2,600	840
<b>WPC 80</b>					
Current Year	-	-	-	1,440	1,380
Previous Year	-	-	-	1,380	4,320

37 **The Information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per schedule III of Companies Act, 2013**

a) **Value of Imports (CIF Basis)**

	As at 31 March, 2023 (Amount in ₹ Lacs)	As at 31 March, 2022 (Amount in ₹ Lacs)
1) Raw Material	-	-
2) Stores & Spares	-	-

b) **Expenditure in Foreign Currency**

Professional and consultation fees	6.36	-
Others	-	-

c) **Value of Raw materials and packing materials consumption**

	Year Ended 31 March, 2023 %age (Amount in ₹ Lacs)	Year Ended 31 March, 2022 %age (Amount in ₹ Lacs)
Cost of Materials Consumed		
Imported	-	-
Indigenous	100.00	100.00
	<u>1,62,42.24</u>	<u>1,74,69.48</u>
	<u>1,62,42.24</u>	<u>1,74,69.48</u>
Store & Spares		
Imported	-	-
Indigenous	100.00	100.00
	<u>7,51.80</u>	<u>6,36.28</u>
	<u>7,51.80</u>	<u>6,36.28</u>

38 **OPERATING SEGMENT**

The Company is engaged in the business of Milk Products Manufacturing which in context of Indian Accounting Standards – 108 “Operating Segment” issued by the Institute of Chartered Accountants of India is considered as the only Business Segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

- 39 In the opinion of the Board of Directors, Current Assets, Loan and Advances have value on realization in the ordinary course of business at least equal to the amounts at which they are stated and provision for all known liabilities have been made in accounts.
- 40 The Company's various credit facilities have been declared as NPA for which One-Time Settlement / Restructuring scheme is under implementation and as such the amounts of such credit facilities have been reclassified into current liabilities. Since all the credit facilities have been recalled by the lenders, all these consolidated credit facilities have been considered as recalled loans for the purpose of identifying defaults.
- 41 As per the Indian Accounting Standard – 24 issued by the Institute of Chartered Accountants of India "Related Party Disclosure ". In view of this the company has given the following disclosures for the year.

The company has identified the related parties having transactions during the year, as per detail given below.

**A) Related Party and their relationship**

**Key management personnel (KMP)**

Mr. Krishan Kumar Goyal (Chairman and Managing Director - CMD)  
 Mr. A.K. Aggarwal (Executive Director)  
 Mr. Mukesh Sehgal (Chief Financial Officer)  
 Ms. Shruti Joshi (Company Secretary)

**Entities in which directors of the Company are able to exercise control or have significant influence**

Mala Builders Private Limited  
 Krishan Kumar Goyal (HUF)  
 Amarjit Goyal (HUF)

**Relatives of KMP**

Mrs. Alka Goyal, Wife of CMD.  
 Mr. Aditya Goyal, Son of CMD.  
 Mrs. Aesha Goyal, Son's Wife of CMD  
 Mrs. Sonam Jhunjhunwala, Daughter of CMD

**B) Transactions with the related parties**

( Amount in ₹ Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel & their enterprises	Associates
Remuneration Including Perks	71.65 (80.47)	- (-)	- (-)
Interest On Unsecured Loan	- (-)	- (-)	- (-)
Loan Taken	- (-)	- (-)	- (-)
Loan Repaid	- (-)	- (-)	- (-)
Loan Given	- (-)	- (-)	- (-)
Loan Received back	- (-)	- (-)	- (-)
Interest Income	- (-)	- (-)	- (-)
Rent Paid	- (-)	36.00 (36.00)	- (-)
Share of Expenses Received	- (-)	- (-)	- (-)
Share of Expenses Paid	- (-)	2.98 (2.01)	- (-)
Purchase of Raw Material & Stores	- (-)	- (-)	- (-)
Sales of Finished Products	- (-)	- (-)	- (-)

**42 Management's disclosure in respect to inadmissible Managerial Remuneration**

The company has paid Managerial Remuneration amounting to Rs.35,81,520/-, to directors without prior approval from the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor. The directors undertake that in case the approval is not received, the remuneration received by the Director shall be refunded. The financial Results are affected to that extent.

**43 Going Concern**

The company's lender Punjab National Bank has revived the old OTS and has extended the time period for repayment of dues. The debt of Edelweiss Assets Restructuring Co. Ltd. (earlier State bank of India) has been restructured. The OTS and Restructuring Scheme is under implementation.

Considering the above development and favorable impact thereof the company has prepared the financial results on the basis of going concern assumptions.

**44 Financial Ratios**

The ratios for the years ended March 31, 2023 are as follows:

Sr No.	RATIOS	FORMULAS	31.03.2023	31.03.2022
1	CURRENT RATIO	CURRENT ASSET/CURRENT LIABILITIES	0.28	0.17
2	DEBT EQUITY RATIO	TOTAL DEBT/ SHAREHOLDER EQUITY	-1.34	-1.34
3	DEBT SERVICE COVERAGE RATIO	NET OPERATING INCOME/DEBT SERVICE	0.15	139.41
4	RETURN ON EQUITY RATIO	NETINCOME/SHAREHOLDER EQUITY	-0.13	-0.05
5	INVENTORY TURNOVER RATIO	COGS/AVG INVENTORY	8.88	11.20
6	TRADE RECIEVABLE TURNOVER RATIO	NET CREDIT SALE/AVG ACCOUNT RECIEVABLE	19.48	38.92
7	TRADE PAYABLE TURNOVER RATIO	NET CREDIT PURCHASE/AVG ACCOUNT PAYABLE	8.62	16.81
8	NET CAPITAL TURNOVER RATIO	NET ANNUAL SALES / WORKING CAPITAL	-1.68	-1.73
9	RETURN ON CAPITAL EMPLOYED	EBIT/CAPITAL EMPLOYED	-0.15	-0.05
10	RETURN ON INVESTMENT	NET RETURN ON INVESTMENT/ASSETS	0.14	0.08

45 Figures for the previous year have been regrouped/rearranged wherever considered necessary.

For **APT & CO LLP**  
Chartered Accountants

For **Modern Dairies Limited**

**CA Amrit Pal Singh**  
Partner

**Krishan Kumar Goyal**  
(Chairman & Managing Director)  
(DIN: 00482035)

**A K Aggarwal**  
(Director)  
(DIN: 00486430)

Place: Chandigarh  
Date: 12<sup>th</sup> May, 2023

**Mukesh Sehgal**  
(Chief Financial Officer)

**Shruti Joshi**  
(Company Secretary)



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