

**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: 3rd September, 2024

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

**Subject: Annual Report of the Company along with
Notice of 32nd 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 2023-24 along with Notice of the 32nd AGM of the Company to be held on Friday, the 27th September, 2024.

The schedule of the events is set as below:


S. No.	Event	Date
1.	Relevant/Cut-off date to vote on AGM resolution	20 th September, 2024
2.	Commencement of e-voting	24 th September, 2024 (9.00 AM)
3.	End of e-voting	26 th September, 2024 (5.00 PM)
4.	Annual General Meeting	27 th September, 2024 (11.00 AM)

Please take the above on your record.

Thanking you

Yours truly,
For MODERN DAIRIES LIMITED

SHRUTI JOSHI

 Digitally signed by SHRUTI JOSHI
Date: 2024.09.03 17:27:52 +05'30'

COMPANY SECRETARY

NOTICE OF 32nd ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of Modern Dairies Limited will be held on Friday, the 27th September, 2024 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 31st March, 2024, together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Krishan Kumar Goyal (DIN: 00482035), who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.
3. To re-appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the rules framed thereunder, as amended from time to time, M/s A P T & Co LLP, Chartered Accountants(Registration No. 014621C/N500088), be and are hereby re-appointed as Statutory Auditors of the Company for a period of two years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2026 at a remuneration comprises of Rs. 9,00,000/- (Rupees Nine Lakhs only) as Statutory Audit Fee, Rs. 70,000/- (Rupees Seventy Thousand only) as Tax Audit Fee and Rs. 80,000/- (Rupees Eighty Thousand only) for GST Returns total amounting to Rs. 10,50,000/- (Rupees Ten Lakhs Fifty Thousand only) per annum.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2025 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, 2025 at an annual remuneration comprises of Rs. 50,000/- (Rupees Fifty Thousand Only) for the products subject to Cost Audit under Section 148 of the Companies Act, 2013 and Rs. 20,000/- (Rupees Twenty Thousand Only) for the certification for non-auditable products, total amounting to Rs. 70,000/- per annum (Rupees Seventy 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."

5. To approve the material related party transactions with Nabha Commerce Private Limited and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/ transactions with Nabha Commerce Private Limited, a Related Party under Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to sale / purchase of products, goods, materials or services subject to a maximum aggregate transactions of Rs. 130 Crores in a financial year on such terms and conditions as may be mutually agreed between the Company and Nabha Commerce Private Limited, at arm's length basis and at prevailing market prices.

RESOLVED FURTHER THAT the Board of Directors / Key Managerial Personnel be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with Nabha Commerce Private Limited, within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof and/or Key Managerial Personnel, be and are hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be

necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

- 6 To approve the material related party transactions with Modern Dairyfarms Limited and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/ transactions with Modern Dairyfarms Limited, a Related Party under Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to sale / purchase of products, goods, materials or services subject to a maximum aggregate transactions of Rs. 180 Crores in a financial year on such terms and conditions as may be mutually agreed between the Company and Modern Dairyfarms Limited, at arm's length basis and at prevailing market prices.

RESOLVED FURTHER THAT the Board of Directors / Key Managerial Personnel be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with Modern Dairyfarms Limited, within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof and/or Key Managerial Personnel, be and are hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.

- 7 To re-appoint Dr. Meena Sharma (DIN: 07241589) as a non-executive Independent Director for second term 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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies

(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Meena Sharma (DIN: 07241589), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible and fulfilling the criteria of independence as provided in the Act and the Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (three) consecutive years on the Board of the Company from the conclusion of the 32nd Annual General Meeting (2024) till the conclusion of the Annual General Meeting to be held in the year 2027 of the Company.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

- 8 To re-appoint Mr. Ajay Kumar Sharma (DIN: 09710194) as a non-executive Independent Director for second term 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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ajay Kumar Sharma (DIN: 09710194), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible and fulfilling the criteria of independence as provided in the Act and the Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term

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of 3 (three) consecutive years on the Board of the Company from the conclusion of the 32nd Annual General Meeting (2024) till the conclusion of the Annual General Meeting to be held in the year 2027 of the Company.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

- 9 To Approve Issue of Warrants Convertible into Equity Shares of the Company on Preferential Allotment Basis to Promoter and Promoter Group and in this regards to consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 42 and 62(1)(c), and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Companies Act”); and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company (ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended (“SEBI ICDR Regulations”); (iii) and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015, as amended (“SEBI Listing Regulations”), listing agreements entered into by the Company with the BSE Limited (“BSE”) “Stock Exchanges”) on which the equity shares of face value of INR 10 (Indian Rupees Ten) each of the Company (“Equity Shares”) are listed, and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Securities and Exchange Board of India (“SEBI”); (iv) other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time by the Ministry of Corporate Affairs, the Reserve Bank of India, the Securities and Exchange Board of India (“SEBI”) and/or any other statutory / regulatory authorities from time to time to the extent applicable, and subject to execution of definitive documents and terms thereunder, and the receipt of such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including

but not limited to the Stock Exchanges and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions; and which terms may be agreed to by the Board of Directors of the Company (the “Board”, which term shall be deemed to include its committee for such purpose) and all such other approvals, consent of the Members of the Company be and is hereby accorded to create, issue, offer and allot 86,00,000 (Eighty Six Lakh) warrants convertible into equivalent number of equity shares of the Company (“convertible Warrants”) of face value of Rs. 10/- (Rupees Ten Only) each (“Equity Shares”), in dematerialized form, on Preferential allotment basis, to promoters and Promoter Group at a price of Rs. 50/- (Rupees Fifty Only) per share (including premium of Rs. 40/- (Rupees Forty Only) per equity share) as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164(1) and 166A of the Chapter V of the ICDR Regulations at an aggregate consideration of Rs. 43,00,00,000- (Rupees Forty Three Crores Only) and on such other terms and conditions as may be determined in accordance with the ICDR Regulations or other applicable provisions of the law as may be prevailing at the time, to the following:

Sr. No.	Name of the proposed Allottee	Nature of persons who are ultimate beneficial owner	No. of Convertible Warrants to be allotted	Category	Allottee is: QIB / MF / FI / Trust / Banks
1	Mr. Krishan Kumar Goyal	Individual	20,00,000	Promoter	Not Applicable
2	Mrs. Alka Goyal	Individual	12,00,000	Promoter	Not Applicable
3	Mr. Aditya Goyal	Individual	12,00,000	Promoter Group	Not Applicable
4	Krishan Goyal HUF	Karta - Mr. Krishan Kumar Goyal Coparcener - Mr. Aditya Goyal Mrs. Sonam Jhunjhunwala	10,00,000	Promoter Group	Not Applicable
5	Chandigarh Finance Private Limited	Owned & Controlled by shareholder Mrs. Alka Goyal	20,00,000	Promoter Group	Not Applicable
6	Mala Builders Private Limited	Owned & Controlled by shareholder Mrs. Alka Goyal	12,00,000	Promoter Group	Not Applicable
	Total		86,00,000		

RESOLVED FURTHER THAT the said Warrants shall be converted within a period not exceeding 18

(Eighteen) months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant regulations as may be prevailing at the time of allotment of equity shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 86,00,000 (Eighty Six Lakh) Equity Shares of Rs. 10/- each fully paid-up.

RESOLVED FURTHER THAT the warrants shall be issued by the Company on the following terms and conditions:

- i. An amount equivalent to 25% of the issue price of the Equity Shares arising out of the Warrants shall be payable at the time of making the application for Warrants, which amount will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holder at the time of exercising the option;
- ii. The Warrant Holder shall pay the balance 75% of the issue price at the time of exercising the option to convert the warrants into equivalent number of equity shares in one of more tranches but not later than 18 months from the date of allotment of such convertible warrants;
- iii. In the event the Warrant Holder does not exercise the option of conversion within 18 onths from the date of allotment of Warrants, the Warrants shall lapse and the deposit of 25% as indicated in point (i) above shall be forfeited by the Company;
- iv. The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid, shall be governed by the respective provisions of the Companies Act, 2013, the Memorandum & Articles of Association of the Company and also the Guidelines/Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof;
- v. Each convertible warrant shall be convertible into one (1) equity share of face value of Rs. 10/- per share;
- vi. The equity shares allotted, upon conversion of convertible warrants to be issued on preferential basis to above allottees, shall be locked in for the period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018;
- vii. The equity shares allotted, upon conversion of convertible warrants shall be listed on BSE Limited.

RESOLVED FURTHER THAT in accordance with the provisions of ICDR Regulations, the "Relevant Date" for the purpose of determination of the price of the Convertible Warrants to be issued and allotted as above shall be August 28, 2024, being the working day immediately preceding the date 30 (thirty) days

prior to the date of Annual General Meeting i.e. September 27, 2024 to approve this offer.

RESOLVED FURTHER THAT the Convertible Warrants to be issued and allotted pursuant to this resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares issued upon conversion of the said warrants shall rank pari-passu with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Company hereby takes note of the certificate from CS Ankush Sharma of M/s. Ankush & Associates, Practicing Company Secretaries (CP No.: 20637; Membership No. A48307) certifying that the above issue of warrants convertible into equivalent number of equity shares of the Company is being made in accordance with the ICDR Regulations.

RESOLVED FURTHER THAT the monies received by the Company from the Subscribers for application of the Convertible Warrants pursuant to this private placement shall be kept by the Company in a separate bank account to be opened by the Company and shall be utilized by the Company in accordance with Section 42 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the offer, issue, allotment of the Convertible Warrants and issue of Equity Shares of the Company upon the conversion of such warrants, any board of directors of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary and desirable for such purpose, including without limitation, preparing, signing, executing, and filing applications with the appropriate authorities for obtaining requisite approvals for the issuance of the Convertible Warrants, as may be required, issuing clarifications on the issue and allotment of the Convertible Warrants, resolving any difficulties, effecting any modifications, changes, variation, alterations, additions and/ or deletions to the foregoing conditions as may be required by any regulator, or other authorities or agencies involved in or concerned with the issue of the Convertible Warrants and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is

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hereby authorized to engage depositories, registrars, bankers, and other consultants and advisors to the issue and to remunerate them by way of fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required and as permitted by law.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company."

- 10 To increase the Authorised Share Capital of the company and consequent amendment in the Memorandum of Association and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 of the Companies Act, 2013 read with Rule 15 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modifications or re-enactment's thereof, for the time being in force and applicable provisions of Articles of Association of the company, the consent of the members of the company, be hereby accorded to increase the authorized share capital of the company, from existing Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10/- (Rs. Ten) each to Rs. 35,00,00,000/- (Rupees Thirty Five Crore only) divided into 3,50,00,000 (Three Crore Fifty Lakh) Equity shares of Rs. 10/- (Rs. Ten) each.

RESOLVED FURTHER THAT the increased authorized equity share capital shall rank pari-passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT pursuant to Sections 13, 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the company be and is hereby accorded to alter the Memorandum of Association of the company by substituting the following:

V. The Authorised Share Capital of the Company is Rs. 35,00,00,000 /- (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crore Fifty Lakh) equity shares of Rs.10/- each

RESOLVED FURTHER THAT any of the directors or Company Secretary of the company, be and

are hereby authorized to do all such necessary actions, deeds and things to give effect to the above resolution."

By order of the Board
For Modern Dairies Limited

Shruti Joshi
Company Secretary

Dated: 29th August, 2024

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

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 32nd Annual General Meeting (AGM) under Item No. 4, 5, 6, 7, 8, 9 and 10 of the Notice, is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") has vide 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, Circular No. 03/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023 and all other relevant circulars issued from time to time, stated that the 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, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 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 authorized 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, May 05, 2022, December 28, 2022 and September 25, 2023, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-Voting system as well as 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. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at 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.
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 and MCA Circular 09/2023 dated September 25, 2023.
9. Corporate members intending to send their authorized representatives to attend the Meeting through VC/OAVM are requested 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 31st March, 2024, 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 21st September, 2024 to 27th September, 2024 (both days inclusive).
13. For members who hold shares in physical form, the Securities and Exchange Board of India ("SEBI"), vide its Master Circular SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated 7th May 2024 read with SEBI/HO/MIRSD/POD1/P/CIR/2024/81 dated 10th June 2024, as amended from time to time, has mandated furnishing of PAN linked with Aadhaar and KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.). In case any of the aforesaid documents/ details are not available in the record of the Company/ Registrar and Share Transfer Agent ("RTA"), the member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details/ documents.
Further, Members who holds shares in electronic form 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. to their Depository Participant
14. Members are requested to note that SEBI vide its Circular dated 25th 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.

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15. In terms of SEBI notification dated 25th 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, SEBI circular dated 10.06.2024 and other circulars in this regard, 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.moderndairies.com and from the website of Company's Registrar and Transfer Agents at 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 2023-24 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 09/2023 dated 25th September, 2023 and SEBI circular SEBI/HC>/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023, the physical copies of the Annual Report for the financial year 2023-24 is not being sent to the members.
20. Soft copy of the Notice of the 32nd 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 09/2023 dated 25th September, 2023 and SEBI circular SEBI/HC>/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023, the physical copies of the Notice of 32nd Annual General Meeting of the company are not being sent to the members.
21. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for the financial year 2023-24 will also be available on the Company's website www.moderndairies.com for their download.
- For any communication, the members may also send requests at email ID: 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 32nd 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).
23. 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 Tuesday, 24th September, 2024 at 09:00 A.M. and ends on Thursday,

26th September, 2024 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. Friday, 20th September, 2024, 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 20th September, 2024.

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.

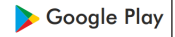
Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" 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 "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 **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.

- 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

- 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 and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
- 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.
- If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
- 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 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.

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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 meet-ing & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 4886 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 helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

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?

- 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.
- 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, 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.
- 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*****.
c) For Members holding shares in Physical Form.	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***

- Password details for shareholders other than Individual shareholders are given below:

 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- 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.nsd.com.
 - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsd.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 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.nsd.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.nsd.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at 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.
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. 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 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

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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. The same will be replied by the company suitably.

24. 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).
25. 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. 20th September, 2024.
26. 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.
27. 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.
28. 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 and on the website of NSDL and communicated to the BSE Limited.
29. 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: 29th August, 2024
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

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 31st March, 2025 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors M/s. K K Sinha & Associates for the financial year ending 31st March, 2025.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

ITEM NO. 5

Nabha Commerce Private Limited is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of Directors and the Board of Directors of the Company in their meeting approved the related party transactions with Nabha Commerce Private Limited for sale, purchase of goods and to provide / avail services to / from Nabha Commerce Private Limited, a related party, subject to a maximum aggregate transactions of Rs. 130 Crores in a financial year.

Since the transactions with Nabha Commerce Private Limited are estimated to be upto Rs. 130 Crores in a financial year, the transactions are required to be approved by the shareholders as an Ordinary Resolution. The said transactions are in the ordinary course of business of the Company and at arm's length basis.

Other details as required as per the Companies (Meetings of Board and its Powers) Rules, 2014.

- (a) Name of Related Party: Nabha Commerce Private Limited.
- (b) Name of Director or Key Managerial Personnel who is related: Mr. Krishan Kumar Goyal, Chairman and Managing Director of the Company.
- (c) Nature of relationship: Mr. Krishan Kumar Goyal and his relatives are the shareholders of Nabha Commerce Private Limited.

- (d) Material Terms of contracts/arrangements/ transactions: Sale / purchase of Milk or Milk Products on arm's length basis.
- (e) Monetary value: Estimated amount Rs. 130 Crores in a financial year.
- (f) Any other information relevant or important for the members to make a decision on proposed transaction: Nil.

The copies of contract setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Krishan Kumar Goyal along with their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

ITEM NO. 6

Modern Dairyfarms Limited is a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of Directors and the Board of Directors of the Company in their meeting approved the related party transactions with Modern Dairyfarms Limited for sale, purchase of goods and to provide / avail services to / from Modern Dairyfarms Limited, a related party, subject to a maximum aggregate transactions of Rs. 180 Crores in a financial year.

Since the transactions with Modern Dairyfarms Limited are estimated to be upto Rs. 180 Crores in a financial year, the transactions are required to be approved by the shareholders as an Ordinary Resolution. The said transactions are in the ordinary course of business of the Company and at arm's length basis.

Other details as required as per the Companies (Meetings of Board and its Powers) Rules, 2014.

- (a) Name of Related Party: Modern Dairyfarms Limited.
- (b) Name of Director or Key Managerial Personnel who is related: Mr. Krishan Kumar Goyal, Chairman and Managing Director of the Company through his relatives.
- (c) Nature of relationship: The Board of Directors of Modern Dairyfarms Limited is accustomed to act in accordance with the advice, directions or instructions of Mr. Krishan Kumar Goyal, Chairman and Managing Director of the Company through his relatives.

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- (d) Material Terms of contracts/arrangements/ transactions: Sale, Purchase and to provide / avail services of Milk or Milk Products on arm's length basis.
- (e) Monetary value: Estimated amount Rs. 180 Crores in a financial year.
- (f) Any other information relevant or important for the members to make a decision on proposed transaction: Nil.

The copies of contract setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Krishan Kumar Goyal along with their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

ITEM NO. 7

Dr. Meena Sharma (DIN 07241589) was appointed as Independent Director on the Board of the Company at the 30th Annual General Meeting of the company held on 30th September, 2022 pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 to hold office for a period of two consecutive years up to the date of this Annual General Meeting ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Companies Act, 2013).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Dr. Meena Sharma for a second term of 3 (three) consecutive years on the Board of the Company.

The Board on August 10, 2024, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considered that, given her background and experience and contributions made by her during his tenure, the continued association of Dr. Meena Sharma would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint her as an Independent Director of the Company who shall not be liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years upto the conclusion of the 35th Annual General Meeting on the Board of the Company in terms of Sections 149(10) and

149(11) of the Companies Act, 2013 and in accordance of other applicable laws.

The Company has received from Dr. Meena Sharma (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act, (iii) Declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she is not debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 7 is provided in the "Annexure" to the Notice pursuant to the Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Dr. Meena Sharma setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice for re-appointment of Dr. Meena Sharma as a Non-Executive Independent Director for a period of 3 consecutive years from the conclusion of this Annual General meeting and upto the conclusion of AGM to be held in year 2027.

The Board of Directors of the Company in its Board Meeting held on August 10, 2024 has approved the above proposal and recommended passing of the proposed Special Resolutions as contained in Item no. 7 of the Notice, by members of the Company.

Except Dr. Meena Sharma for herself and through her relatives to the extent of their shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in anyway concerned or interested financially or otherwise in the aforesaid Resolutions.

ITEM NO. 8

Mr. Ajay Kumar Sharma (DIN 09710194) was appointed as Independent Director on the Board of the Company at the 30th Annual General Meeting of the company held on 30th September, 2022 pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the

Companies (Appointment and Qualification of Directors) Rules, 2014 to hold office for a period of two consecutive years up to the date of 32nd Annual General Meeting (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Companies Act, 2013).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Ajay Kumar Sharma for a second term of 3 (three) consecutive years on the Board of the Company.

The Board on August 10, 2024, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Ajay Kumar Sharma would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint him as an Independent Director of the Company who shall not be liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years upto the conclusion of the 35th Annual General Meeting on the Board of the Company in terms of Sections 149(10) and 149(11) of the Companies Act, 2013 and in accordance of other applicable laws.

The Company has received from Mr. Ajay Kumar Sharma (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (‘Listing Regulations’) and (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he is not debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 8 is provided in the “Annexure” to the Notice pursuant to the Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Ajay Kumar Sharma setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 8 of the Notice for re-appointment of Dr. Ajay Kumar Sharma as a Non-Executive Independent Director for a period of 3 consecutive years from the conclusion of this Annual General meeting and upto the conclusion of AGM to be held in year 2027.

The Board of Directors of the Company in its Board Meeting held on August 10, 2024 has approved the above proposal and recommended passing of the proposed Special Resolutions as contained in Item no. 8 of the Notice, by members of the Company.

Except Mr. Ajay Kumar Sharma for himself and through his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in anyway concerned or interested financially or otherwise in the aforesaid Resolutions.

ITEM NO. 9

The long term funds are required for the operations of the Company and to meet the increased fund requirements of the Company, the Board of Directors at their meeting held on August 29, 2024, had considered and approved (subject to the approval of the members of the Company and such other approvals as may be required) the proposal for raising funds by way of issuance of Warrants convertible into Equity Shares on preferential basis to Promoters and Promoter Group as mentioned in the resolution no. 9.

Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI (ICDR) Regulations 2018 (as amended), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any, and Sections 42 and 62(1) of the Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014.

The information as required under SEBI (ICDR) Regulations 2018 and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:

As per Section 42, 62, and 108 of the Companies Act, 2013, approval of shareholders passed through E-Voting is required for Issuance on preferential basis of Warrants convertible into Equity Shares and hence the resolution is placed before the shareholders. In terms of the provisions of the Companies Act, 2013 and as per Regulation 163 and other applicable regulation of Chapter V – Preferential Issue of SEBI ICDR Regulations, the required disclosures regarding proposed issue are as under: -

NOTICE OF 32nd ANNUAL GENERAL MEETING

1. Objects of the Preferential issue:

The long term funds are required and shall strengthen the capital base and will be utilized for the operations of the Company.

2. Maximum number of specified securities to be issued:

The Company intends to issue 86,00,000 Warrants convertible into equivalent number of equity shares ("Convertible Warrants") of face value Rs.10/- per share.

Thus, based on the assumption that all the Warrants will be converted into equivalent number of equity shares of face value Rs.10/- of the Company, the Company intends to issue a maximum of 86,00,000 Warrants of face value Rs.10/- per share at a price to be determined under Regulation 164 read with Regulation 166A of SEBI (ICDR) Regulations, 2018.

3. Amount which the company intends to raise by way of such securities.

The company intends to raise Rs.43,00,00,000/- (Rupees Forty Three Crores Only) by way of issuance of 86,00,000 Warrants of the Company on preferential Basis to Promoters and Promoter Group.

4. Intention of promoters / directors / key managerial personnel to subscribe to the offer:

Mr. Krishan Kumar Goyal, Chairman and Managing Director and Mrs. Alka Goyal, being Promoters of the Company and Mr. Aditya Goyal, Krishan Kumar Goyal HUF, Chandigarh Finance Private Limited and Mala Builders Private Limited intend to subscribe to 86,00,000 Warrants of the Company. Other than the above, None of the other members of Promoter and Promoter Group, Directors / and Key Management Personnel has the intention to subscribe to the offer.

5. The shareholding pattern before and after completion of the proposed preferential issue would be as under:-

Sr. No.	Category	Pre-Issue Equity (Note*)		Post-Issue Equity (Note**)	
		No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
A	Promoters' holding:				
	Individual	79,40,387	34.05	12740387	39.91
	Bodies Corporate	27,19,492	11.66	6519492	20.43
	Sub Total (A)	1,06,59,879	45.71	1,92,59,879	60.34
B	Non-Promoters' holding:				
1	Institutional Investors				

	Institutional Domestic	9,400	0.04	9,400	0.03
	Institutional Foreign	0	0	0	0
	Sub Total (B)	9,400	0.04	9,400	0.03
2	Non Institutional Investors				
	Bodies Corporate	2,57,233	1.10	2,57,233	0.81
	Directors and Relatives	0	0	0	0
	Indian Public	1,13,82,709	48.81	1,13,82,709	35.66
	Others [including HUF, NRI, IEPF Authorities, etc.]	10,10,640	4.34	10,10,640	3.17
	Sub Total (C)	1,26,50,582	54.25	1,26,50,582	39.63
	GRAND TOTAL (A+B+C)	2,33,19,861	100.00	3,19,19,861	100.00

Note*: The above shareholding pattern has been prepared on the basis of shareholding data as on June 30, 2024 as provided by the Registrar and Share Transfer Agent.

Note**: The post issue shareholding percentage is determined considering existing capital of 2,33,19,861 equity shares plus assuming that the 86,00,000 warrants convertible into equity shares proposed to be issued and allotted under the present issue will be fully subscribed and will be fully converted into equivalent number of equity shares of the Company.

6. Proposed time within which the preferential issue shall be completed:

The Company shall complete the allotment of the Warrants convertible into equity shares within a period of 15 (fifteen) days from the later of:

- (i) date of the approval of this special resolution; or
- (ii) receipt of last of the approval/permission required for such allotment from any regulatory authority or the Central Government (including but not limited to the in-principle approval of the Stock Exchanges for issuance of the securities stated above to the Proposed Allottees).

Further, upon exercise of option to convert the warrant into equity shares by the proposed allottees, the Company shall issue and allot equivalent number of equity shares of the company within fifteen days of such exercise of conversion of warrant.

7. The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them:

Sr. No.	Details of subscriber	Ultimate beneficial owner of the proposed allottee(s)	Pre-Issue			Proposed Allotment	Post-Issue (Refer Note # below this table)		
			Category	No. of Shares	Percentage holding (%)		Category	No. of Shares	Percentage holding (%)
1	Mr. Krishan Kumar Goyal	Individual	Promoter	22,97,343	9.85	20,00,000	Promoter	42,97,343	13.46
2	Mrs. Alka Goyal	Individual	Promoter	28,28,972	12.13	12,00,000	Promoter	40,28,972	12.62
3	Krishan Goyal HUF	Karta - Mr. Krishan Kumar Goyal Coparceners Mr. Aditya Goyal Mrs. Sonam Jhunjunwala	Promoter Group	12,80,000	5.49	10,00,000	Promoter Group	22,80,000	7.14
4	Mr. Aditya Goyal	Individual	Promoter Group	8,83,872	3.79	12,00,000	Promoter Group	20,83,872	6.53
5	Chandigarh Finance Private Limited	Owned & Controlled by shareholder Ms. Alka Goyal	Promoter Group	7,71,892	3.31	20,00,000	Promoter Group	27,71,892	8.68
6	Mala Builders Pvt Limited	Owned & Controlled by shareholder Ms. Alka Goyal	Promoter Group	0	0	12,00,000	Promoter Group	12,00,000	3.76
	Total			80,62,079	34.57	86,00,000		1,66,62,079	52.19

Note # : Please refer "Note ***" to Table under the heading point no. 5. The shareholding pattern before and after completion of the proposed preferential issue would be as under above.

8. In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:
- An amount equivalent to 25% of the issue price of the convertible Warrants shall be payable at the time of making the application for convertible Warrants, which amount will be kept by the Company as a deposit to be adjusted and appropriated against the price of the convertible Warrants payable by the Warrants Holder at the time of exercising the option;
 - If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.
 - The balance 75% of the offer price shall be payable at the time of exercise of option to convert the convertible Warrants into equity shares of face value Rs.10/- per share of the Company.
 - The issue of the convertible Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid, shall be governed by the respective provisions of the Companies Act, 2013, the Memorandum & Articles of Association of the Company and also the Guidelines/Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof;
 - Each Warrants shall be convertible into one (1) equity share of face value of Rs.10/- per share; and
 - The equity shares allotted, upon conversion of Warrants to be issued on preferential basis to above allottees, shall be locked in for the period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018.
9. Willful Defaulter or Fraudulent Borrower:
Neither the issuer nor any of its promoters or directors are willful defaulters or fraudulent borrowers.
10. Pricing of Preferential Issue:
The Board has fixed the price of Rs 50/- (Rupees Fifty only) per warrant as the issue price. This is higher than the price determined in terms of Regulation 164(1) and 166A of the ICDR Regulations. The pricing certificate is issued by CS Ankush Sharma of M/s. Ankush & Associates, Practicing Company Secretaries (CP No.: 20637; Membership No. A48307) having his office at SCO 32-35, 1st Floor, Sector- 8 C, Chandigarh- 160018 and the valuation report is issued by IBBI Registered Valuer M/s VS Jadon & Co Valuers LLP (IBBI Regn No. IBBI/RV-E/02/2023/191-) having his office at Office J-1031, First Floor, Akshar Business Park Plot No. 03,

NOTICE OF 32nd ANNUAL GENERAL MEETING

Sector-25, Vashi, Near APMC Market, Sanpada Thane, Maharashtra-400703. The document is available on website of the company at www.modern dairies.com. The said certificate shall also be available for inspection at the registered office of the Company on all working days (excluding Saturdays and Sundays) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and all also be available during the Annual General Meeting.

11. Basis on which the price would be arrived at:

The Equity Shares of the Company are listed on BSE Limited ("Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and the same has been considered for determining the floor price in accordance with the SEBI ICDR Regulations.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity share to be issued shall be a price, being higher of the following:

- i. Average of 90 trading days of volume weighted average price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date is Rs. 47.79/-.

or

- ii. Average of 10 trading days of volume weighted average price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date is Rs. 49.77/-.

Further, in terms of Regulation 166A of SEBI (ICDR) Regulations, the Company has obtained valuation report from the IBBI Registered Valuer M/s VS Jadon & Co Valuers LLP (IBBI Regn No. IBBI/RV-E/02/2023/191-) having his office at Office J-1031, First Floor, Akshar Business Park Plot No. 03, Sector-25, Vashi, Near APMC Market, Sanpada Thane, Maharashtra-400703 who has determined the valuer per equity share of the Company at Rs. 49.77/- The Board has fixed the floor price as Rs.50/- (Rupees Fifty only) per warrant (including premium of Rs. 40/- per share) and the said price fixed by the Board is higher than the above prices determined in terms of the ICDR Regulation and other applicable provisions.

12. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable.

13. Relevant Date

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor

price for this Preferential Allotment of equity shares is August 28, 2024, being the 30 days prior to the date of Annual General Meeting i.e. September 27, 2024.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

14. Change in control if any consequent to preferential issue

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

15. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

None.

16. Undertakings:

(a) The Issuer Company undertakes that they shall re-compute the price of the Equity Shares in terms of the provisions of SEBI (ICDR) Regulations, 2018, as amended, where it is required to do so.

(b) The Issuer Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in terms of the provision of SEBI (ICDR) Regulations, 2018, the equity shares issued shall continue to be locked-in till the time such amount is paid by the allottees.

(c) The entire pre-preferential holding, if any, of the proposed allottees shall be locked in for the period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018.

17. Lock-in period

The Shares to be offered, issued and allotted shall be subject to Lock-in as provided under the provisions of ICDR Regulations. The entire pre preferential shareholding of the above allottees, if any, shall be locked-in from the relevant date up to the period of 90 trading days from the date of trading approval as per Regulation 167 of the ICDR Regulations.

18. Certificate from CS Ankush Sharma, Practising Company Secretary.

A copy of the certificate, from CS Ankush Sharma of M/s. Ankush & Associates, Practising Company Secretaries (CP No.: 20637; Membership No. A48307) having their office at SCO 32-35, 1st Floor, Sector- 8 C, Chandigarh- 160018, certifying that the issue of equity shares as well as convertible warrants on preferential basis is being made in accordance

with requirements of Chapter V of the SEBI ICDR Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturdays and Sundays) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and also be available during the Annual General Meeting. The said Certificate will be uploaded on the website of the Company at www.moderndairies.com.

- 19.** Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

None of the Directors, Key Managerial Persons except Mr. Krishan Kumar Goyal or his relatives are concerned or interested in the above referred resolution to the extent of their shareholding in the Company and the proposed allotment.

- 20.** Other disclosures

In accordance with SEBI ICDR Regulations,

- (i) The Company has not allotted any equity shares on preferential basis in the financial year.
- (ii) Neither the Company nor any of its Promoters and Directors has been declared as a wilful defaulter or a fraudulent borrower or a fugitive economic offender.
- (iii) The pre- preferential holding of the proposed allottees are in dematerialized form.
- (iv) The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. Mr. Krishan Kumar Goyal, Chairman and Managing Director and Mrs. Alka Goyal, being Promoters of the Company and Mr. Aditya Goyal, Krishan Kumar Goyal HUF, Chandigarh Finance Private Limited and Mala Builders Private Limited are interested in Resolution No. 9 to the extent of their holdings in the Company. The Board of Directors recommends the passing of the Resolution as set out in Item No. 9 as special resolution for your approval.

Item No. 10.

In order to broad base the Capital Structure and to meet funding requirements of the Company and to enable the Company to issue further shares, it is proposed to increase the Authorised Share Capital of the Company from Rs. 30,00,00,000 (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore) equity shares of Rs. 10/- each to Rs. 35,00,00,000 (Rupees Thirty Five Crore only) divided into 3,50,00,000 (Three Crore Fifty Lakh) shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

As a consequence of increase of Authorised Share Capital of the Company, the existing Authorised Share Capital Clause in Memorandum of Association of the Company be altered accordingly. The proposed increase of Authorised Share Capital and consequent alteration of Memorandum of Association of Company requires the approval of members in general meeting u/s 13, 61 and 64 of the Companies Act, 2013 by way of Ordinary Resolution.

The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day during business hours.

The Board of Directors recommends the above ordinary resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

By order of the Board
For Modern Dairies Limited

Shruti Joshi
Company Secretary

Dated: 29th August, 2024
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

NOTICE OF 32nd ANNUAL GENERAL MEETING

INFORMATION REGARDING DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 27TH SEPTEMBER, 2024 PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 2

Name of the Director	Mr. Krishan Kumar Goyal
DIN	00482035
Date of Birth	06 th September, 1956
Date of Appointment/ Re-appointment	16 th July, 2012/01 st April, 2020
Brief Resume and expertise in specific functional area	<p>Mr. Krishan Kumar Goyal 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.</p> <p>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.</p>
List of outside Directorships held	Modern Steels Limited 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 st March 2024, Mr. Krishan Kumar Goyal holds 22,97,343 Equity Shares of the Company
Relationship with other Directors	Not Applicable

ITEM NO. 7

Name of the Director	Dr. Meena Sharma
DIN	07241589
Date of Birth	16 th March, 1968
Date of Appointment/ Re-appointment	30 th September, 2022
Brief Resume and expertise in specific functional area:	<p>Dr. Meena Sharma, Professor, University Business School, Panjab University, Chandigarh is also holding the position of Director, Placement Cell of the University. She has also served as Dean Students Welfare(women) for one year. She has more than 32 years of teaching and research experience. Her areas of interest include valuation of intangibles, financial inclusion, financial reporting, management of small and medium enterprises, corporate restructuring strategies, valuation of mergers and acquisitions, default risk prediction, management of non-performing assets, asset liability management etc. Dr. Sharma has published more than 50 research papers in various international and national research journals and has addressed the participants of more than hundred national and international conferences, training programs, management development programs, orientation and refresher courses.</p>

	<p>Prof. Sharma has worked on an International project in association with Western Sydney University, Australia granted by Australia India Council. She has undertaken a major UGC research project based on funds management by financial institutions. She has also been a member of the working group on "Promotion of Agri-Business and Food Processing Industries in Haryana" constituted by Government of Haryana. She also served as a nominated member of Academic Council of a B P S Mahila Vishvidalaya. She has been a member of under graduate and Post Graduate Board of Studies and Research in Business management of various Universities. She is also an active member of various committees and boards which include editorial board of various research Journals, decision making bodies of corporates and expert committees of University Grants Commission She has been a nominated Member (by Governor-Chancellor) in the court of Maharishi Dayanand University, Rohtak. Presently she is Governor nominee in the court of Ch Bansilal University, Bhiwani. Nominated Member (by Governor-Chancellor) in the selection committees of a state University of Haryana.</p>
List of outside Directorships held	NIL
Chairman/Member of the Committee of the Board of Directors of the Companies	NIL
Shareholding in the Company	NIL
Relationship with other Directors	Not Applicable

ITEM NO. 8

Name of the Director	Mr. Ajay Kumar Sharma
DIN	09710194
Date of Birth	14 th October, 1955
Date of Appointment/ Re-appointment	30 th September, 2022
Brief Resume and expertise in specific functional area:	<p>Mr. Ajay Kumar Sharma has dynamic experience of 41 years in the area of Dairy sector, out of which more than 34 years in Administration, Management and Research. He is expert in processing in Dairy / Food Plant. He has knowledge of GMP, ISO 9000-2000 HACCP 15000 and ISO 22000 and managing ISO 9000-2000 / HACCP 15000 Dairy Plant for 15 Years.</p> <p>Mr. Ajay Kumar Sharma has done B Tech (Dairy Technology) in 1976 from Dairy Science College, NDRI, Karnal in 1st Division and started working as Technical Asstt., Milk Plant, Ludhiana, Punjab in 1976. He served as Dairy Superintendent, National Dairy Research Institute, Karnal during the period from 1986 to 2015. From 2015 he is working as Dairy Consultant.</p> <p>He is Life member of Indian Dairy Association & Executive Member of Core Committee since last 14 years and presently Treasurer of IDA (NZ) Delhi. He is Executive Member of Dairy Technology Society of India & Treasurer of NDRI Graduate Association Since 2008.</p>
List of outside Directorships held	NIL
Chairman/Member of the Committee of the Board of Directors of the Companies	NIL
Shareholding in the Company	NIL
Relationship with other Directors	Not Applicable

NOTICE OF 32nd ANNUAL GENERAL MEETING

MODERN DAIRIES LIMITED
CIN: L74899HR1992PLC032998

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

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholders,

In case you have not registered your email address for receiving communication from Company in electronic mode, you may submit the Registration Form given herein below to the Share Transfer Agents namely M/s. MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110 020 or to the Company at its office at Modern Dairies Limited, SCO. 98-99, Sub City Centre, Sector 34, Chandigarh-160 022. Shareholders holding shares in demat mode are requested to register their email addresses with their respective Depository Participants:

E-COMMUNICATION REGISTRATION FORM

(As per the provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015)

Folio No. / DP ID & Client ID : _____

Name of 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I/we shareholder(s) of Modern Dairies Limited agree to receive communication from the Company in electronic mode.
Please register my/our above e-mail id in your records for sending communication through e-mail.

Signature: _____

Date: _____

Note: Shareholder(s) are requested to keep the Company / Depository Participant informed as and when there is any change in the e-mail address.

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ANNUAL
REPORT
2023-2024



MODERN DAIRIES LIMITED

BOARD OF DIRECTORS

Chairman and Managing Director
Mr. Krishan Kumar Goyal

Prof. Sanjay Kaushik, Independent Director
Dr. Meena Sharma, Independent Director
Mr. Ajay Kumar 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

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 32nd Annual Report together with the Audited Financial Statements of Modern Dairies Limited for the year ended 31st March, 2024.

FINANCIALS	Rs. in Lacs	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Net Sales and other Income	3,62,04	2,18,76
Operating Profit	22,19	18,00
Finance Cost	3,82	2,48
Cash Profit	18,37	15,52
Depreciation & Amortization Expenses	3,43	3,35
Profit before Exceptional Items	14,94	12,17
Exceptional Items	19,29	(1)
Profit for the year	34,23	12,16

PERFORMANCE

Your company during this Financial Year under review earned revenue of ₹ 3,62,04 Lacs as against ₹ 2,18,76 Lacs over the previous year. The operating profit this year was ₹22,19 Lacs as against ₹18,00 Lacs in the previous year.

The Company has focused in the fresh dairy, cultured products, cheese and milk nutritional ingredient business which is a growing market segment. The Company's operating team worked relentlessly which has resulted in better performance.

CURRENT OPERATIONS

This year the market outlook looks positive. The milk availability is expected to be good and milk rates are going to be range bound during this year. With main focus on nutritional ingredients business, the Company has been able to improve its performance during first quarter of the current fiscal as compared to the same quarter of last year with total revenue of ₹ 94,59 Lacs as against ₹ 83,15 Lacs during the same period of previous year. Likewise operating profit has improved to ₹5,15 Lacs from ₹4,06 Lacs as compared to last year.

This year the country has received good monsoon which augers well for agriculture and dairy sector.

DIVIDEND

In view of requirements of funds for operations, your directors are unable to recommend any dividend for the Financial Year ended on March 31, 2024.

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 28th 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.

This is to inform that in furtherance to the September quarter Demand notice, the Company received the recovery notice from the office of Tehsildar, District Karnal. The Company filed a Writ Petition in Hon'ble Punjab & Haryana High Court against this Demand Notice and stay of recovery.

After hearing the petition, Hon'ble High Court on 20.12.2023 has taken a view that if the payment @ 50 % of the amount is to be kept in mind, accordingly instructed the Company to deposit Rs.4 Crores in four easy installments by the end of the financial year i.e. 31.03.2024. In complete compliance of the orders of Hon'ble Punjab & Haryana High Court, the Company has deposited Rs. 4.00 Crores before the due date.

As per the last demand notice dated 1.1.2024 issued by Govt. of Haryana for the December quarter stand Rs. 544.31 Crore, which includes Milk Cess and interest thereon. The Company as an abundant caution is providing for the Milk Cess in the accounts. As on 31st March 2024, the total Milk Cess provision amount is Rs. 20.71 Crore, out of which Rs. 9.91 Crore (Rs. 5.91 Crores + Rs. 4.00 Crores) has been already deposited as per Hon'ble Supreme Court's and Hon'ble Punjab & Haryana High Court's order.

The final decision 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 member.

STATUS OF COMPANY'S ACCOUNTS WITH LENDERS

The company's lender Punjab National Bank had approved the One Time Settlement (OTS) in 2022 and it

is under implementation. The Company is strictly abiding by the time frame and making payments on time.

The Debt of Edelweiss ARC Ltd. (earlier State Bank of India) had been restructured in 2022. During this year, the Company has paid the final payment as per the schedule on 29.08.2023. EARC issued No Dues Certificate to the Company. Accordingly, the charges have been satisfied from the Registrar of Companies.

QUALITY, FOOD SAFETY & ENVIRONMENT STANDARDS

Quality and safety are paramount for the company. The company adheres to stringent quality control and inspection processes, following best practices of the industry with respect to Good Management Practices (GMP) and Good Hygienic Practices (GHP). This ensures the company's diversified products have high standards for quality, safety and nutrition. The company has adopted a very robust quality management system which 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 Company has Authorised Share Capital of Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore) equity shares of Rs. 10/- (Rupees Ten) each and the paid up equity share capital is Rs. 23,35,89,000/- (Rupees Twenty Three Crore Thirty Five Lakhs Eighty Nine Thousand) as on March 31, 2024.

Raising of funds by issuance of Warrants convertible into Equity Shares through Preferential Issue on a private placement basis

The Company with approval of Board of Directors at meeting held on 29th August, 2024 and subject to approval of such statutory/regulatory authorities as may be required including approval of Shareholders of Company at ensuing Annual General Meeting proposed issue, offer and allotment of 86,00,000 warrants convertible into equity shares of the Company of face value Rs. 10/- each at Rs. 50/- each (including premium of Rs. 40/- per share) as

determined in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), by way of preferential issue on a private placement basis to the persons forming part of promoter and promoter group for cash consideration.

Increase of Authorised Share Capital of the Company

The Board of Directors at meeting held on 29th August, 2024 approved Increase in the Authorized Share Capital of the Company from existing Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 35,00,00,000/- (Rupees Thirty-Five Crore only) divided into 3,50,00,000 (Three Crore Fifty Lakh) equity shares of Rs.10/- (Rupees Ten) each ranking pari passu in all respect with the existing Equity Shares of the Company, subject to approval of Shareholders of Company at ensuing Annual General Meeting.

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. Ashwani Kumar Aggarwal (DIN: 00486430), who was liable to retire by rotation at the last Annual General Meeting held on 27th September, 2023.

Pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013, Dr. Meena Sharma and Mr. Ajay Kumar Sharma were appointed as Non-Executive Independent Directors of the Company w.e.f. 30th September, 2022 for a period of two years till the conclusion of Annual General Meeting to be held in the year 2024 and are to be further reappointed for a second term of three consecutive years commencing from this Annual General Meeting till the conclusion of Annual General Meeting to be held in year 2027 in terms of the provisions of Companies Act, 2013.

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. Krishan Kumar Goyal, Managing Director (DIN: 00482035), 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 2023-24, 4 (Four) 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 31st March, 2024 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

M/s. APT & Co. LLP, Chartered Accountants, (Registration No. 014621C/N500088), were appointed as Statutory Auditors of the Company at 30th Annual General Meeting for a period of two years till the conclusion of the 32nd 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, whose tenure is going to expire at this ensuing Annual General Meeting.

The Board of Directors pursuant to Section 139 and 142 and other applicable provisions of Companies Act, 2013, if any and the rules framed thereunder and subject to approval of Shareholders approved appointment of M/s. APT & Co. LLP, Chartered Accountants as Statutory Auditors of Company for a period of two (2) years to hold office from this ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2026 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 re-appointment and remuneration of M/s. K.K. Sinha & Associates, Cost Accountants as Cost Auditors of the Company to conduct the cost audit for the year 2024-25 on the recommendations of the Audit Committee subject to the ratification of the remuneration by the shareholders.

M/s. K.K. Sinha & Associates, Cost Accountants confirmed eligibility to be appointed as Cost Auditors of the Company and expressed his willingness by written consent for appointment for the financial year 2024-2025.

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 2023-24

for conducting the Secretarial Audit as required under the provisions of Companies Act, 2013.

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 2024-25, 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 2024-25.

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, 2024.

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 and Mr. Krishan Kumar Goyal, Managing Director amounting to Rs. 84,35,595/- for the year ended 31st March, 2024.

Apart from the managerial remuneration for year ended 31st March, 2024, as mentioned above the company has paid director remuneration of Rs. 3,34,37,557/- 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. 84,35,595/- to directors for which the company is yet to receive approval from the competent authority/agency. Directors 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 2023-24 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 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 (Prohibition of Insider Trading) Regulations, 2015, except filing of the intimation regarding the closure of the trading window to stock exchange for the quarter ended September 2023.

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. Directors 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.

The Company duly informed all the designated persons regarding closure of trading window. But inadvertently could not file the intimation to stock exchange for the quarter ended September 2023.

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 2023-24, 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 31st March, 2024. 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 31st March, 2024, 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 31st March, 2024 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 2023-24.

EXTRACT OF ANNUAL RETURN

In terms of requirement of section 134 (3) (a) read with Section 92(3) of the Companies Act, 2013, the Annual return of the Company has been placed on the Company's website and can be accessed on the website of the Company at www.moderndairies.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-B" 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 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 was not applicable on our company during the period under review, since the company was 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-C" to this report. The CSR Policy is available on the website of the Company at www.moderndairies.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 2023-24 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 2023-24, 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 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 2023-24.

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 31st March, 2024 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: 29th August, 2024 DIN: 00482035

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS**

1. Milk and Milk products have been integral part of human diet since ancient times and have later gained prominence because of increasing scientific evidence pertaining to their health promoting and disease alleviating virtues. Dairy Sector transformed the landscape of Indian agriculture, leading not only to self sufficiency in milk production, but also to improve the socio economic scenario across the nation. Engaging over 80 million rural households predominantly consisting of small-scale and marginal farmers, the players, including cooperatives, have catalysed self-reliance among farmers, providing them with a dependable means of livelihood. Promoting equality and equivalence, they have transcended barriers of gender, caste, religions and community, fostering an inclusive environment for shared prosperity. Women, who constitute the backbone of the dairy workforce, have found not just employment but also empowerment through this sector underscoring its pivotal role in promoting gender equality.
2. Dairy is considered as holistic and sustainable solution for livelihood and nutritional security of India. Indian Dairy companies, have been instrumental in reshaping the nation's dairy industry, which today holds a profound significance across multiple facets.

The growth of global dairy food market is likely to be reshaped not only by increasing consumer demand but also by strategic initiatives undertaken by the major industry players. As technology and sustainability take center-stage in consumer preferences, the market is poised by dynamic evolution that align with these core shifts. India leads in global dairy production and consumption with dairy products playing a crucial role in Indian cuisine-whether consumed directly, in restaurants or as packaged food products.

OPPORTUNITIES AND THREATS**OPPORTUNITIES**

- The primary catalyst for the expansion of India's dairy sector is expected to be the surge in consumption and consumer base, driven by population increase and rising income.

- Increased disposable money has allowed more people to purchase nutritious foods, notably dairy products, which is a key component of traditional Indian Diet.
- Rising demand for nutrition-rich dairy products, including proteins, vitamins and minerals is anticipated to propel market expansion.
- Dairy companies are responding by offering a variety of cultured products such as dahi, lassi, flavored yoghurts, fortified milk and probiotic drinks that cater to health conscious consumers.

THREATS

- Intense competition exists in various product segments, with companies constantly innovating to offer differentiated products.
- While the dairy market in India is growing, competition for market share remains fierce due to the presence of established brands and new entrants.

RISK AND CONCERN

Milk is the primary raw material for the dairy industry. Like agriculture, production and availability depends on weather conditions which are beyond the control of human beings. This can adversely affect the performance of the Company.

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

Your company during this Financial Year under review earned revenue of ₹ 3,62,04 Lacs as against ₹ 2,18,76 Lacs over the previous year. The operating profit this year was ₹22,19 Lacs as against ₹18,00 Lacs in the previous year.

The Company has focused in the fresh dairy, cultured products, cheese and milk nutritional ingredient business which is a growing market segment. The Company's operating team worked relentlessly which has resulted in better performance.

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 31st March, 2024, the Company had a total workforce of 366 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

Krishan Kumar Goyal
Chairman & Managing Director

Place: Chandigarh

DIN: 00482035

Date: 29th August, 2024

ANNEXURE 'A' TO DIRECTORS' REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

[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 31st March 2024 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 31st March 2024 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 SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable

- as the company has not provided any share-based benefits to the employees during the year.
- (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 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, 2021 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, 2018; 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.

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.

- b. During the year, the company has given the director remuneration to the Managing Director and Executive Director amounting to Rs.84,35,595 (for current quarter Rs.14,61,313).
- c. Apart from the managerial remuneration for quarter ended 31st March, 2024, as mentioned above the company has paid director remuneration of Rs. 3,34,37,557 till date without complying with the provisions of Schedule V of the companies Act, 2013.
- d. The Company has generally complied with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, except filing of the intimation regarding the closure of the trading window to stock exchange for the quarter ended September 2023

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.
- 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 provisions 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
UDIN: A058369E000707545

Place: Panchkula
Date: 09.08.2024

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 2023-24 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 appropriateness 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
UDIN: A058369E000707545

Place: Panchkula
Date: 09.08.2024

ANNEXURE 'B' 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 31st March, 2024

FORM 'A'
A) POWER AND FUEL CONSUMPTION

	Current year 2023-24	Previous Year 2022-23
POWER		
a) Electricity Power		
Purchase Units (Kwh)	1,82,85,270	1,54,32,510
Total Amount	14,41,92,009	11,67,76,520
Rate per Unit	7.89	7.57
b) Other Generation		
Through Diesel Generator		
Unit (Kwh)	97,110	1,58,225
Total Amount	27,13,729	44,48,506
Unit per litre of Diesel Oil	3.17	3.21
Cost / Unit	27.94	28.12
FUEL		
Quantity (MT)	20,130	14,669
Total Amount Rs.	12,83,32,932	9,38,17,411
Rate / Unit Rs. per MT	6,375.08	6,395.80

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)	80.25	86.27
Fuel Quantity (Kgs.)	82.21	67.35

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: 29th August, 2024

ANNEXURE - 'C' TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 for Financial Year 2023-24

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.modern dairies.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.modern dairies.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:

Financial Year	Net Profit (Amount in ₹ Lacs)
2020-21	-3473.47
2021-22	495.22
2022-23	1215.61
Average Net Profit	-1762.64

7. Calculation of Below:

(a) Two percent of average net profit/(loss) of the company as per section 135(5)	Rs. -11.75 Lacs
(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
				State.	District.							CSR Registration number.
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 spent for the project (in Rs.).	(7) Mode of Implementation - Direct (Yes/ No).	(8) Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
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 Lacs
(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: 29th August, 2024

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 31st March, 2024, 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 2023-24.

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 31st March, 2024 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	4	4	Yes	1*	-	-	NA
Mr. A.K. Aggarwal	Non Independent Executive Director	4	3	Yes	-	-	-	NA
Dr. Sanjay Kaushik	Non-Executive Independent Director	4	3	Yes	-	-	-	NA
Dr. Meena Sharma	Non-Executive Independent Director	4	3	Yes	-	-	-	NA
Mr. Ajay Kumar Sharma	Non-Executive Independent Director	4	4	Yes	-	-	-	NA

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

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 31st March, 2024, four 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
12 th May, 2023	5	5
11 th August, 2023	5	4
08 th November, 2023	5	4
09 th February, 2024	5	4

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.
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.

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 4(four) Directors, out of which 3 (three) 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 four times during the year on 12th May, 2023, 11th August, 2023, 08th November, 2023 and 09th February, 2024.

The composition and status of attendance of members at the Audit Committee held during the year 2023-24 is as under:

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

* Dr. Meena Sharma was appointed as member of Audit Committee by Board in its meeting held on 11th August, 2023.

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 1 (One) time during the year on 12th May, 2023.

The composition and status of attendance of members at the Nomination & Remuneration Committee held during the year 2023-24 is as under:

Name of Director	Designation in Committee	No. of Meetings held	No. of Meetings entitled to attend	No. of Meetings attended
Dr. Sanjay Kaushik	Chairman	1	1	0
Dr. Meena Sharma	Member	1	1	1
Mr. Ajay Kumar Sharma	Member	1	1	1

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 2023-24. 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 31st March, 2024 (Amount in ₹)

Name of the Director	Salary	Perquisites	Benefits/PF	Stock Option	Sitting Fee	Total
Mr. Krishan Kumar Goyal	51,00,000	-	-	-	-	51,00,000
Mr. A.K. Aggarwal	33,35,595	-	-	-	-	33,35,595
Dr. Sanjay Kaushik	-	-	-	-	80,000	80,000
Dr. Meena Sharma	-	-	-	-	90,000	90,000
Mr. Ajay Kumar Sharma	-	-	-	-	1,70,000	1,70,000

- 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 4(four) Directors, out of which 3(three) 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 12th May, 2023, 11th August, 2023, 8th November, 2023 and 09th February, 2024.

The composition and status of attendance of members at the Stakeholder’s Relationship Committee held during the year 2023-24 is as under:

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

* Dr. Meena Sharma was appointed as member of Audit Committee by Board in its meeting held on 11th August, 2023.

- f. Details of Complaints
During the year 2023-2024, the Company has not received any complaint from the shareholders.

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
2020-21	Registered office: 136 KM., G.T. Road, Karnal 132 001 (Haryana)	29 th September, 2021	11.00 A.M.
2021-22	Registered office: 136 KM., G.T. Road, Karnal 132 001 (Haryana)	30 th September, 2022	11.00 A.M.
2022-23	Registered office: 136 KM., G.T. Road, Karnal 132 001 (Haryana)	27 th September, 2023	11.00 A.M.

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

- (i) In the 29th AGM dated 29th September, 2021, no Special Resolutions was passed.
- (ii) In the 30th AGM dated 30th 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.
- (iii) In the 31st AGM dated 27th September, 2023, the following Special Resolutions were passed:

- (a) To consider and approve remuneration payable to Mr. Krishan Kumar Goyal as Chairman & Managing Director of the Company.
- (b) To reappoint Mr. Ashwani Kumar Aggarwal (DIN: 00486430) as Executive Director (Whole-Time Director) of the Company.

- **Extra-ordinary General Meeting**

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

- **Postal Ballot**

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

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

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: Friday, 27th September, 2024 at 11:00 a.m.
Venue: Through Video Conferencing/other Audio Visual means.

3. Financial Calendar(tentative) for:

Adoption of Results for the quarter ended:	In the Month of (tentative)
30 th June, 2024	August, 2024 (2 nd week)
30 th September, 2024	November, 2024 (2 nd week)
31 st December, 2024	February, 2025 (2 nd Week)
31 st March, 2025	May, 2025
Annual General Meeting	By September, 2025

4. Book Closure Date:

From 21st September, 2024 to 27th September, 2024 (both days inclusive)

5. Dividend Payment Date

No Dividend is proposed for the Financial Year 2023-24.

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 2024-25 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 2024-25 to NSDL & 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
2023							
April	25.70	19.10	23.95	6,36,546	61209.46	58793.08	61112.44
May	27.80	20.30	20.49	11,67,794	63036.12	61002.17	62622.44
June	23.50	19.17	20.86	8,32,749	64768.58	62359.14	64718.56
July	23.75	19.21	22.75	12,34,185	67619.17	64836.16	66527.67
August	24.40	19.50	19.91	11,71,050	66658.12	64723.63	64831.41
September	22.45	17.20	19.91	13,57,986	67927.23	64818.37	65828.41
October	20.85	18.11	19.69	9,09,739	66592.16	63092.98	63874.93
November	36.65	16.36	30.26	59,26,495	67069.89	63550.46	66988.44
December	32.95	28.15	28.97	9,48,717	72484.34	67149.07	72240.26
2024							
January	31.90	28.00	29.48	9,37,254	73427.59	70001.60	71752.11
February	40.30	28.65	33.64	11,26,651	73413.93	70809.84	72500.30
March	34.31	28.42	29.75	4,95,720	74245.17	71674.42	73651.35

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 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:

92.813% 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 with effect from April 01, 2019.

11. Distribution of Shareholdings as on 31st March, 2024:

SHAREHOLDING		SHAREHOLDERS		NO. OF SHARES	
From	To	Number	% of total	Number	% of total
1	500	14393	84.95	2495554	10.70
501	1000	1345	7.94	1105915	4.74
1001	2000	532	3.14	839359	3.60
2001	3000	185	1.10	482329	2.07
3001	4000	74	0.44	270532	1.16
4001	5000	103	0.60	493848	2.12
5001	10000	150	0.89	1126955	4.83
10001	50000	118	0.69	2503510	10.74
50001	100000	18	0.11	1343191	5.76
100001	And above	24	0.14	12658668	54.28
TOTAL		15852	100.00	23319861	100.00

Shareholding Pattern of the Company as on 31st March, 2024:

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)	300433	1.29%
4. Indian Public	12130390	52.02%
5. NRIs/OCBs	219759	0.94%
TOTAL	23319861	100.00%

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 31st March, 2024:

No. of Shares: 2,16,43,809	92.813% 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@modern dairies.com
 Company's Website: www.modern dairies.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 2023-24.

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

Place: Chandigarh
Date: 29th August, 2024

Krishan Kumar Goyal
Chairman & Managing Director
DIN: 00482035

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 31st March 2024 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 the intimation as per provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 regarding the closure of the trading window to stock exchange for the quarter ended September 2023.*

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: 09.08.2024

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 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 31st March, 2024 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 Rajeiv Kumar Sanger
M.NO 58369
COP: 22007

UDIN: A058369E000712321

Place: Panchkula
Date: 09.08.2024

INDEPENDENT AUDITORS' REPORT

To

The Members of Modern Dairies Limited

Report on the 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, 2024, and the statement of Profit and Loss (including other comprehensive income), 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 31st March, 2024 and for the year ended March 31st, 2024.

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) & Mr. Krishan Kumar Goyal (Managing Director) amounting to Rs. 84,35,595 for the year ended 31st March, 2024.

Apart from the managerial remuneration for the year ended 31st March, 2024, as mentioned above the company has paid director remuneration of Rs. 3,34,37,557/- 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.

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.

EMPHASIS OF MATTER

Interest provisioning on various facilities from lenders

The Company has settled all the dues of the lenders namely PNB by the way of OTS. The OTS 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 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 31st March, 24, Rs. 26.11 crores. This will effect the stated current liabilities & profits for the current year 31st March, 24, 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 (a) and (b) contain any material misstatement.

5. No dividend has been declared or paid during the year by the Company
6. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

FOR APT & CO LLP
Chartered Accountants

CA. Amrit Pal Singh
Partner

Place: Chandigarh
Date: 18th May, 2024

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 31st March, 2024. 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, 2024.
- (e) There are no proceedings initiated during the year or are pending against the Company as at March 31, 2024 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, 2024.
- (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 31st march 2024.
- (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	2071.32	9,91.00	2001-02 to 2023-24	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	52,966.00	-	2001-02 to 2023-24	Hon'ble Supreme Court of India
Haryana Tax on Entry of Goods into Local Areas Act, 2003	Entry Tax	164.58	-	2007-08 to 2017-18	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. 63,32.27 Lacs* and date of irregularity is 30.11.2015:
*It doesn't include interest of Rs. 26,10.61 Lacs not provided in books regarding various credit facilities till 31st March, 2024.
- (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(xvi)(c) 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 (xvi)(d) 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. 26,10.61 Lacs (Previous year amounting to Rs. 29,68.65 Lacs) 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. 7,74.10 Lacs (Previous Year amounting to Rs. 27,48.14 Lacs).
- (xviii) There has been no resignation of the statutory auditors during the year ended 31st March 2024.

- (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) According to the information and explanations given to us and on the basis of our examination of the records, Section 135 is applicable to the company but since, the average net profit of last three years is negative (a loss) for the purpose of determining the spending on CSR expenditure requirement. In this scenario, the company is not required to spend any specific amount on CSR activities because there are no profits to base the expenditure on.

For APT & CO LLP
Chartered Accountants

Place: Chandigarh
Date: 18th May, 2024

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

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 31st March, 2024

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 31st March 2024, 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 Responsibility

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 31st March 2024, 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: 18th May, 2024

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

BALANCE SHEET AS AT 31ST MARCH 2024
(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
ASSETS			
1) Non-current assets			
(a) Property, Plant and Equipment	3	29,69.92	28,56.34
(b) Capital work-in-progress	3(a)	1,26.92	87.40
(c) Other Intangible assets	3	1.31	2.21
(d) Financial Assets			
(i) Investments	4	1.33	1.33
(ii) Other Financial Assets	5	5,22.26	4,70.49
Total Non Current Assets		36,21.74	34,17.77
2) Current assets			
(a) Inventories	6	28,59.52	27,15.78
(b) Financial Assets			
(i) Trade receivables	7	18,75.20	18,92.82
(ii) Cash and cash equivalents	8	1,54.86	23.57
(c) Other current assets	9	4,65.15	4,59.81
(d) Asset Held for Disposal	10	1.60	1.60
Total Current Assets		53,56.33	50,93.59
Total Assets		89,78.07	85,11.36
EQUITY AND LIABILITIES			
1) EQUITY			
(a) Equity Share capital	11	23,35.89	23,35.89
(b) Other Equity	12	(85,07.72)	(1,19,27.57)
Total Equity		(61,71.83)	(95,91.68)
LIABILITIES			
2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Long Term Borrowings	13	7,86.26	-
(b) Long Term Provisions	14	1,29.43	1,26.70
Total Non Current Liabilities		9,15.69	1,26.70
3) Current liabilities			
(a) Financial Liabilities			
(i) Short term borrowings	15	-	77.33
(ii) Trade payables - Total Outstanding dues of:	16		
– Micro enterprises and small enterprises		2,04.92	4,91.11
– Creditors other than Micro enterprises and Small enterprises		40,26.26	27,99.95
(iii) Other financial liabilities	17	67,91.01	1,27,40.75
(b) Other current liabilities	18	20,74.46	4,03.23
(c) Short Term Provisions	19	11,37.56	14,63.97
Total Current Liabilities		1,42,34.21	1,79,76.34
Total Equity and Liabilities		89,78.07	85,11.36

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

For **APT & CO LLP**
Chartered Accountants
Firm Registration No 014621C/N500088

For **Modern Dairies Limited**

CA Amrit Pal Singh
Partner
M. No. 508134

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

A K Aggarwal
(Director)
(DIN: 00486430)

Place: Chandigarh
Date: 18th May, 2024

Mukesh Sehgal
(Chief Financial Officer)

Shruti Joshi
(Company Secretary)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Notes	For the Year ended 31 March 2024	For the Year ended 31 March 2023
REVENUE			
I Revenue From Operations	20	3,61,49.51	2,17,48.92
II Other Income	21	54.67	1,26.92
III Total Income (I+II)		3,62,04.18	2,18,75.84
IV EXPENSES			
Cost of materials consumed	22	2,82,33.15	1,62,42.24
Changes in inventories of finished goods, and work-inprogress	23	(2,08.03)	(11,00.78)
Employee benefits expense	24	13,79.57	12,40.20
Finance costs	25	3,82.08	2,47.71
Depreciation and amortization expenses	26	3,42.98	3,35.39
Other expenses	27	45,80.90	36,94.08
Total expenses (IV)		3,47,10.65	2,06,58.84
V Profit before exceptional items and tax (III-IV)		14,93.53	12,17.00
VI Exceptional Items			
Exceptional Items Income		27,95.51	-
Exceptional Items Expense		8,66.18	1.38
Total Exceptional Item (VI)		19,29.33	(1.38)
VII Profit before tax (V+VI)		34,22.86	12,15.62
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total Tax Expense (VIII)		-	-
IX Profit for the period from continuing operations (VII-VIII)		34,22.86	12,15.62
X Profit for the period		34,22.86	1,215.62
XI Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	28	(3,01)	(3,01)
XII Total Comprehensive Income for the period (X+XI)(Comprising Profit/(Loss) and Other Comprehensive Income for the period)		34,19.85	12,12.61
XIII Earnings per equity share (for continuing operation):			
(1) Basic		14.68	5.21
(2) Diluted		14.68	5.21
XIV Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		14.68	5.21
(2) Diluted		14.68	5.21

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

For **APT & CO LLP**
Chartered Accountants
Firm Registration No 014621C/N500088

CA Amrit Pal Singh
Partner
M. No. 508134

Place: Chandigarh
Date: 18th May, 2024

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 31ST MARCH 2024
(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
A Cash flow from operating activities:		
Profit/(Loss) before tax	34,19.85	12,12.61
Adjustments for:		
Depreciation and amortisation	3,42.98	3,35.39
Provision for milk cess	59.06	59.06
Balances written off	0.02	4.13
Liabilities written back	(14.47)	(7.28)
Interest expense	3,82.08	2,57.82
Interest income	(9.65)	(5.97)
Employee benefits	31.58	27.08
Profit on sale of Property, Plant and Equipment	-	(2.72)
Operating loss before working capital changes	42,11.46	18,80.11
Adjustments for movement in:		
Increase/Decrease in long-term loans and advances	(51.77)	(1,16.77)
Increase/Decrease in inventories	(1,43.74)	(13,02.06)
Increase/Decrease in trade receivables	17.62	(15,71.36)
Increase/Decrease in other current assets	58.48	36.67
Increase/Decrease in long-term provisions	2.73	9.20
Increase/Decrease in trade payables	9,54.59	28,07.99
Increase/Decrease in other current liabilities	1,76.72	(96.50)
Increase/Decrease in short-term provisions	(4,17.05)	(44.75)
Net cash generated from operations	48,09.03	16,02.54
Taxes paid	63.84	90.30
Net cash generated from operating activities	47,45.19	15,12.24
B Cash flow from investing activities:		
Purchase of fixed assets (including capital work in progress a movement in creditors for capital goods)	(4,95.19)	(3,07.04)
Proceeds from sale of fixed assets	-	3.81
Interest received	9.65	5.97
Net cash used in investing activities	(4,85.54)	(2,97.26)
C Cash flow from financing activities		
Proceeds from long-term borrowings	7,86.26	-
Proceeds from Short terms borrowings	(77.33)	52.33
Increase/Decrease in Other financial liabilities	(19,31.99)	(10.14)
Interest/Principal paid	(29,05.32)	(19,29.80)
Net Cash used in financing activities	(41,28.38)	(18,87.61)
Net increase/(decrease) in cash and cash equivalents	1,31.28	(6,72.64)
Cash and cash equivalents at the beginning of the year	23.57	6,96.21
Cash and cash equivalents at the end of the period	1,54.85	23.57
Components of cash and cash equivalents:-		
Cash on hand	8.71	6.85
Balances with Scheduled Banks		
In current accounts	1,46.15	16.72
Cash and cash equivalents in cash flow statement:	1,54.86	23.57

Note: The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (IND AS-7) 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 41 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
Firm Registration No 014621C/N500088

For **Modern Dairies Limited**

CA Amrit Pal Singh
Partner

M. No. 508134

Place: Chandigarh
Date: 18th May, 2024

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

Mukesh Sehgal
(Chief Financial Officer)

A K Aggarwal
(Director)
(DIN: 00486430)

Shruti Joshi
(Company Secretary)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**1. CORPORATE INFORMATION**

Modern Dairies Limited (the Company) is a public listed company incorporated under the provisions of the Companies Act 1956 on 20th 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 1st 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 1st 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 declared as NPA for which One-Time Settlement 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. 1st 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

- (a) Inventories are valued at the lower of cost and net realizable value
 - i) **Raw Materials and Packing Material:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO Basis (net of GST).
 - ii) **Work in Progress:** Cost for this purpose includes direct materials, Labour and other direct cost and a proportion of manufacturing overhead and all appropriate allocable overheads.
 - iii) **Finished Goods:** Cost for this purpose includes direct materials, labour and other direct cost and a proportion of manufacturing overhead and all appropriate allocable overheads (net of GST). Cost is determined on monthly average cost basis.
 - iv) **Stock of Stores, spares & Fuel** are valued at cost and cost is computed on FIFO Basis (net of GST).
- (b) **Disposable and Used Stocks and Carbon Credit Units** are valued at net realizable value.
- (c) Stocks in working condition are valued at depreciated value or realizable value whichever is less

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 cost.

(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.

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:

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 cost. These investments are strategic in nature and held on a long-term basis.

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.

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.

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) During the year ended 31 March, 2024, the Company reclassified short term borrowings as Long Term Borrowings.

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

3 Fixed assets
For the year ended 31st March, 2024

Particulars	Gross block			Accumulated depreciation and amortisation					Net block		
	As on 1 April 2023	Additions during the Period	Sales / Adjustment during the Period	As on 31 March 2024	As on 1 April 2023	Depreciation for the Period	Depreciation as Exceptional Items	Impairment Loss	Sales / Adjustment during the Period	As on 31 March 2024	As on 31 March 2023
Tangible assets											
Freehold land	1,89.93	-	-	1,89.93	-	-	-	-	-	1,89.93	1,89.93
Buildings	13,42.06	6.13	-	13,48.19	4,39.40	68.18	-	-	-	8,40.62	9,02.68
Plant and equipment	88,11.48	4,45.29	-	92,56.78	70,75.61	2,66.97	-	-	-	73,42.58	19,14.19
Furniture and fixture	17.98	1.28	-	19.27	9.91	1.09	-	-	-	11.00	8.07
Office equipments	50.14	2.96	-	53.10	32.18	5.70	-	-	-	37.88	15.22
Vehicles	13.19	-	-	13.19	11.37	0.13	-	-	-	11.51	1.69
Total	1,04,24.79	4,55.67	-	1,08,80.46	75,68.47	3,42.08	-	-	-	79,10.55	29,69.92
Intangible assets											
Computer software	13.84	-	-	13.84	11.64	0.90	-	-	-	12.54	1.31
Total	13.84	-	-	13.84	11.64	0.90	-	-	-	12.54	1.31
Grand Total	1,04,38.63	4,55.67	-	1,08,94.30	75,80.11	3,42.97	-	-	-	79,23.08	29,71.22

For the year ended 31st March 2023

Particulars	Gross block			Accumulated depreciation and amortisation					Net block		
	As on 1 April 2022	Additions during the year	Sales / Adjustment during the year	As on 31 March 2023	As on 1 April 2022	Depreciation for the year	Depreciation as Exceptional Items	Impairment Loss	Sales / Adjustment during the year	As on 31 March 2023	As on 31 March 2022
Tangible assets											
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	-	-	-	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
Furniture and fixture	15.34	2.64	-	17.98	8.87	1.04	-	-	-	9.91	8.07
Office equipments	42.66	7.48	-	50.14	27.60	4.58	-	-	-	32.18	17.96
Vehicles	23.32	-	10.12	13.20	18.28	2.13	-	-	9.03	11.38	1.82
Total	1,02,15.28	2,19.65	10.12	1,04,24.80	72,42.95	3,34.54	-	-	9.03	75,68.46	29,72.33
Intangible assets											
Computer software	13.84	-	-	13.84	10.78	0.85	-	-	-	11.63	2.21
Total	13.84	-	-	13.84	10.78	0.85	-	-	-	11.63	2.21
Grand Total	1,02,29.12	2,19.65	10.12	1,04,38.64	72,53.73	3,35.39	-	-	9.03	75,80.09	28,55.55

*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.

	<u>As at 31 March 2024 Amount in ₹ lacs</u>	<u>As at 31 March 2023 Amount in ₹ lacs</u>
3(a) Capital Work-in-Progress		
Capital Work-in-Progress	1,26.92	87.40
	<u>1,26.92</u>	<u>87.40</u>
Capital Work-in-Progress ageing schedule		
Less than 1 year	1,26.92	87.40
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
Total	<u>1,26.92</u>	<u>87.40</u>
4 Investments		
Non trade investments (at cost, unquoted)		
Investment in equity shares (unquoted) Aricent Technologies (Holdings) Limited (1,069 equity shares (Previous year 1,069) of ₹ 10 each fully paid up)	1.04	1.04
Investment in Government securities National savings certificates (pledged with sales tax authorities)	0.29	0.29
	<u>1.33</u>	<u>1.33</u>
Aggregate amount of unquoted investments	1.33	1.33
5 Other financial assets (unsecured considered good, unless otherwise stated)		
Security deposits	5,13.44	4,61.67
Balances with statutory and government authorities	6.06	6.06
Fixed Deposits (having maturities more than 12 months) (Pledged with bank for issuing Bank Guarantee to NHAI)	2.76	2.76
	<u>5,22.26</u>	<u>4,70.49</u>
6 Inventories		
For method of valuation refer note no. 2.5		
Raw materials	55.20	1,32.68
Raw materials (Goods in transit)	25.96	-
Work-in-progress	1,47.52	77.31
Finished goods	18,56.92	17,19.10
Stores and spares	4,62.26	3,95.08
Carbon Credit Units	70.04	70.04
Packing materials	2,41.62	3,21.57
	<u>28,59.52</u>	<u>27,15.78</u>
7 Trade receivables (Unsecured)		
Unsecured, Considered doubtful	2.65	2.90
Less: Allowance for bad and doubtful debts	2.65	17.04
	-	(14.15)
Unsecured, Considered good	18,75.20	19,06.97
	<u>18,75.20</u>	<u>18,92.82</u>
Trade receivables ageing schedule (Outstanding from the date of the transaction)		
(i) Undisputed Trade Receivables - Considered Good		
Less than 6 months	18,75.11	18,99.71
From 6 months to 1 year	0.09	7.27
From 1 year to 2 year	-	-
From 2 year to 3 year	-	-
More than 3 years	-	-
Total	<u>18,75.20</u>	<u>19,06.97</u>

	As at 31 March 2024 Amount in ₹ lacs	As at 31 March 2023 Amount in ₹ lacs
(ii) Trade receivables (Undisputed Considered Impaired) outstanding for a period from due date of payment	-	-
(iii) Disputed Trade Receivables - Considered Doubtful from due date of payment		
Less than 6 months	-	-
From 6 months to 1 year	-	-
From 1 year to 2 year	-	-
From 2 year to 3 year	-	-
More than 3 years	2.65	2.90
Total	<u>2.65</u>	<u>2.90</u>
(iv) Trade receivables (Disputed Considered good) outstanding for a period from due date of payment	-	-
Dues from directors or from firms or private companies respectively in which any director is a partner, a director or a member	-	-
8 Cash and bank balances		
(i) Cash and cash equivalents		
- Cash on hand	8.71	6.85
(ii) - Balances with banks in current account	1,46.15	16.72
	<u>1,54.86</u>	<u>23.57</u>
9 Other Current Assets		
Prepaid expenses	58.05	44.04
Advances to suppliers other than related parties	35.12	26.95
Balances with statutory and government authorities	3,34.15	3,23.34
Others	37.83	65.48
	<u>4,65.15</u>	<u>4,59.81</u>
10 Asset Held for Disposal		
Asset Held for Disposal	1.60	1.60
	<u>1.60</u>	<u>1.60</u>

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount in ₹ lacs	Number	Amount in ₹ lacs
11 Equity Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	3,00,00,000	30,00.00	3,00,00,000	30,00.00
Equity shares of ₹ 10 each	3,00,00,000	30,00.00	3,00,00,000	30,00.00
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	2,33,19,861	23,31.99	2,33,19,861	23,31.99
Total	<u>2,33,19,861</u>	<u>23,31.99</u>	<u>2,33,19,861</u>	<u>23,31.99</u>
Forfeited shares				
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.

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount in ₹ lacs	Number	Amount in ₹ lacs
Reconciliation of share capital (Equity)				
Balance at the beginning of the year	2,33,19,861	23,35.89	2,33,19,861	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	-	-	-	-
Balance at the end of the year	<u>2,33,19,861</u>	<u>23,35.89</u>	<u>2,33,19,861</u>	<u>23,35.89</u>

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

	As at 31 March 2024 Amount in ₹ lacs			As at 31 March 2023 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%
Total	64,06,315	6,40.63	27.47%	64,06,315	6,40.63	27.47%

(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 2024			As at 31 March 2023		
	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%	883872	88.39	3.79%
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%
Total	10659879	1065.99		10659879	1065.99	

12 Other Equity

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstandings	Retained Earnings	Debt Instruments through other comprehensive income	
Balance as on 31 st March, 2022	2,23.74	30,73.42	-	(1,64,37.34)	-	(1,31,40.18)
Changes in Accounting policy/Prior Period Errors	-	-	-	-	-	-
Restated Balance at the beginning of the Reporting Period	2,23.74	30,73.42	-	(1,64,37.34)	-	(1,31,40.18)
Profit for the year	-	-	-	12,15.62	-	12,15.62
Other Comprehensive Income for the year	-	-	-	(3.01)	-	(3.01)
Total Comprehensive Income for the year	2,23.74	30,73.42	-	(1,52,24.73)	-	(1,19,27.57)
Transaction with owners in capacity as owners	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-
Bonus Shares	-	-	-	-	-	-
Movement During the Year	-	-	-	-	-	-
Balance as on 31st March, 2023	2,23.74	30,73.42	-	(1,52,24.73)	-	(1,19,27.57)

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstandings	Retained Earnings	Debt Instruments through other comprehensive income	
Balance as on 31 st March, 2023	2,23.74	30,73.42	-	(1,52,24.73)	-	(1,19,27.57)
Changes in Accounting policy/Prior Period Errors	-	-	-	-	-	-
Restated Balance at the beginning of the Reporting Period	2,23.74	30,73.42	-	(1,52,24.73)	-	(1,19,27.57)
Profit for the year	-	-	-	34,22.86	-	34,22.86
Other Comprehensive Income for the year	-	-	-	(3.01)	-	(3.01)
Total Comprehensive Income for the year	2,23.74	30,73.42	-	(1,18,04.88)	-	(85,07.72)
Transaction with owners in capacity as owners	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-
Bonus Shares	-	-	-	-	-	-
Movement During the Year	-	-	-	-	-	-
Balance as on 31st March, 2024	2,23.74	30,73.42	-	(1,18,04.88)	-	(85,07.72)

	As at 31 March 2024 Amount in ₹ lacs	As at 31 March 2023 Amount in ₹ lacs
13 Long-term borrowings		
Loan from Related Party (unsecured)	6,79.41	-
Loan from Others (unsecured)	1,06.85	-
	<u>7,86.26</u>	<u>-</u>

Rate of Interest and Terms for repayment

Unsecured Loan obtained from Related Party carries nil to 9.85% rate of interest (March 31, 2023 - Nil) and shall be repaid after 3 years
Unsecured Loan obtained from Others carries 9% rate of interest (March 31, 2023 - 9%) and shall be repaid after 3 years

14 Long-term provisions

Provisions for gratuity	1,29.43	1,26.70
	<u>1,29.43</u>	<u>1,26.70</u>

The following table set out the status of the plan for gratuity as required under Indian Accounting Standard IND AS 19:

Change in projected benefit obligation

Projected benefit obligation at the beginning of the year*	1,69.40	1,77.88
Service cost	19.08	14.21
Interest cost	12.50	12.86
Actuarial gain	3.01	3.01
Benefits paid	(17.32)	38.56
Projected benefit obligation at the end of the year*	1,86.67	1,69.40

Reconciliation of present value of obligation on the fair value of plan assets

Present value of projected benefit obligation at the end of the year*	1,86.67	1,69.40
Liability recognised in the balance sheet*	1,86.67	1,69.40

*This includes short term portion of ₹ 57.74 lacs (previous year ₹ 42.71 lacs) as disclosed under note 19.

Components of net gratuity costs are

Service cost	19.08	14.21
Interest cost	12.50	12.86
Net gratuity costs	31.58	27.08

Other Comprehensive Income

Actuarial (gain)/loss for the year on PBO	3.01	3.01
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Actuarial Assumptions**Economic Assumptions**

Discount rate	7.23%	7.38%
Rate of increase in compensation level	5.00%	5.00%
Average remaining life (years)	16.50	17.18

Demographic Assumptions

Mortality table	Indian assured lives mortality (2012-14)	Indian assured lives mortality (2012-14)
Retirement age	58	58
Withdrawal rates		
- upto 30 years	3%	3%
- from 31 to 44 years	2%	2%
- above 44 years	1%	1%

15 Short term borrowings

	As at 31 March 2024 Amount in ₹ lacs	As at 31 March 2023 Amount in ₹ lacs
Loan from Related Party (unsecured)	-	25.00
Loan from others (unsecured)	-	52.33
	<u>-</u>	<u>77.33</u>

Rate of Interest and Terms for repayment
Refer Note - 13

16 Trade payables

	As at 31 March 2024 Amount in ₹ lacs	As at 31 March 2023 Amount in ₹ lacs
Dues to micro and small enterprises	2,04.92	4,91.11
Dues to others than micro enterprises and small enterprises	40,26.26	27,99.95
	<u>42,31.18</u>	<u>32,91.06</u>

Trade Payable ageing schedule (Undisputed)

Dues outstanding for a period:

	MSME Creditors	Other Creditors	MSME Creditors	Other Creditors
Less than 1 year	2,04.92	39,77.45	4,91.11	27,71.98
From 1 year to 2 years	-	22.70	-	27.06
From 2 years to 3 years	-	25.25	-	0.91
More than 3 years	-	0.85	-	-
Total	<u>2,04.92</u>	<u>40,26.26</u>	<u>4,91.11</u>	<u>27,99.95</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	1,86.32	4,81.01
Interest due thereon	18.60	10.10
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	18.60	10.10
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.	-	-
Dues to micro enterprises and small enterprises (Disputed) for a period;	-	-
Dues to other than micro enterprises and small enterprises (Disputed) for a period;	-	-
Refer to note no 38 for related parties outstanding		

17 Other financial liabilities

	As at 31 March 2024 Amount in ₹ lacs	As at 31 March 2023 Amount in ₹ lacs
Dues to Banks	63,32.27	1,24,73.00
Interest accrued but not due on borrowings	4,58.74	1,85.97
Interest accrued and due on borrowing	-	81.78
	<u>67,91.01</u>	<u>1,27,40.75</u>

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. The Company's various credit facilities declared as NPA for which one time settlement is under implementation and as such the amounts of such credit facilities have been reclassified into current liabilities.

18 Other current liabilities

	As at 31 March 2024 Amount in ₹ lacs	As at 31 March 2023 Amount in ₹ lacs
Statutory & Other Dues	1,44.93	77.91
Employee related payables	1,78.64	1,17.24
Income Accrued Under Suspense	14,94.51	-
Advance from customers	35.03	7.79
Security deposits	2,21.35	1,90.00
Creditors for capital goods	-	10.29
	<u>20,74.46</u>	<u>4,03.23</u>

19 Short Term Provisions

Provision for gratuity (Refer Note no. 14)	57.24	42.71
Provision for milk cess	20,71.32	20,12.26
Less: Milk cess paid under protest	9,91.00	5,91.00
	<u>11,37.56</u>	<u>14,63.97</u>

	For the year ended 31 March 2024 Amount in ₹ Lacs	For the year ended 31 March 2023 Amount in ₹ Lacs
20 Revenue		
Revenue from operations		
Revenue from Sale of Products & Services	3,59,97.98	2,16,08.13
Other Operating Revenue	1,51.53	1,40.79
Revenue from operations	<u>3,61,49.51</u>	<u>2,17,48.92</u>
Details of products sold (contributing more than 10% of the total revenue)		
Ghee	1,67,41.67	65,97.13
Cheese	30,96.81	32,44.93
Lactose	40,60.48	27,29.26
Others	1,20,99.03	90,36.82
	<u>3,59,97.98</u>	<u>2,16,08.13</u>
21 Other income		
Interest income	9.65	5.97
Profit on sale of Property, Plant and Equipment	-	2.72
Balances written back	14.47	7.28
Miscellaneous Income	30.55	1,10.95
	<u>54.67</u>	<u>1,26.92</u>
22 Cost of materials consumed		
Opening 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>
Add: Purchases of raw materials during the year	2,67,19.75	1,47,56.02
Add: Purchases of packing materials during the year	13,55.97	15,47.55
	<u>2,80,75.72</u>	<u>1,63,03.57</u>
Less: Closing stock		
Raw materials	55.20	1,32.68
Packing materials	2,41.62	3,21.57
	<u>2,96.82</u>	<u>4,54.25</u>
	<u>2,82,33.15</u>	<u>1,62,42.24</u>
23 Changes in inventories of finished goods and work-in-progress		
Opening stock		
- Finished 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>
Closing stock		
- Finished goods	18,56.92	17,19.10
- Work-in-progress	1,47.52	77.31
	<u>20,04.44</u>	<u>17,96.41</u>
	<u>(2,08.03)</u>	<u>(11,00.78)</u>
24 Employee benefit expense		
Salaries, wages and bonus	13,23.98	11,85.32
Contribution to provident and other defined contribution funds	51.52	49.84
Staff welfare expenses	4.07	5.04
	<u>13,79.57</u>	<u>12,40.20</u>
25 Finance costs		
Interest expenses		
- to banks	2,72.76	2,19.38
- others	1,09.32	28.33
	<u>3,82.08</u>	<u>2,47.71</u>
26 Depreciation and amortization expenses		
Depreciation and amortization expenses of tangible assets	3,42.08	3,34.54
Amortisation of intangible assets	0.90	0.85
	<u>3,42.98</u>	<u>3,35.39</u>

27 Other expenses	For the year ended 31 March 2024 Amount in ₹ Lacs	For the year ended 31 March 2023 Amount in ₹ Lacs
Consumption of stores and spare parts	9,02.76	7,87.08
Power and fuel	27,83.33	21,68.39
Rent	61.78	43.97
Repairs to		
- building	41.71	41.28
- machinery	87.39	73.41
- others	10.33	9.97
Insurance	18.11	16.37
Legal and professional expenses	73.75	79.60
Payment to auditors	11.12	11.90
Rates and taxes	10.57	8.81
Travelling and conveyance	61.91	64.13
Provision for milk cess	59.06	59.06
Freight and forwarding charges	1,35.85	81.82
Other Manufacturing exp.	65.71	54.45
Miscellaneous expenses	2,57.52	1,93.84
	45,80.90	36,94.08

28 Other Comprehensive Income

Actuarial Gain/(Loss) on Obligation	(3.01)	(3.01)
	(3.01)	(3.01)

29 Contingent Liabilities & Commitments
Contingent Liabilities:

	As at 31 March 2024 Amount in ₹ Lacs	As at 31 March 2023 Amount in ₹ Lacs
a) Claim against the Company not acknowledged as debts	-	-
b) Other money for which Company is contingent liable	5,31,30.58	4,42,97.12

Commitments:

a) Estimated amounts of contractors remaining to be executed On capital accounts and not provided for	-	-
b) Letter of credited against import of material	-	-

30 The Company has settled all the dues of the lenders namely PNB by the way of OTS. The OTS scheme is under implementation and interest due there on has been accounted for. The scheme shall be accounted for at the time of closure of OTS.

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 31st March, 24, Rs. 26.11 crores. This will effect the stated current liabilities & profits for the current year 31st March, 24, to that extent.

31 Regarding Milk Cess liability to Govt. of Haryana under Haryana Murrah Buffalo and other Milch Animal Breed Act, 2001. The company has filed a Special Leave Petition before the Hon'ble Supreme Court against the decision dated 28th May, 2010 of Punjab & Haryana High Court regarding levy of Milk Cess under the above act. The SLP was admitted in the Hon'ble Supreme Court and it had granted interim stay in September, 2012. The matter is pending before the Hon'ble Supreme Court. The Govt. of Haryana demand notice is for Rs. 544.31 Crores for Milk Cess along with compounded Interest as on 31st December, 2023. The company as an abundant caution has provided for the Milk Cess in the accounts as on 31st March 24, total Milk Cess provision amount is Rs. 20.71 Crore (including Rs. 59.06 Lacs for FY 23-24), out of which Rs. 9.91 Crore has been already deposited (Rs 5.91 Crore was deposited as per Hon'ble Supreme Court's order and Rs. 4.00 Crore was deposited as per Hon'ble Punjab & Haryana High Court order on 20.12.23).

32 Due to uncertainty mentioned in note no. 30 & 31 above, 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.

33 Earnings per share:

	As at 31 March 2024 <u>Amount in ₹ Lacs</u>	As at 31 March 2023 <u>Amount in ₹ Lacs</u>
Profit / (Loss) after taxation as per Statement of profit and Loss (₹ in lacs)	34,22.86	12,15.60
Equity shares outstanding	2,33,19,861	2,33,19,861
Basic earnings per share in rupees (face value ₹ 10/- each)	14.68	5.21
Diluted earnings per share in rupees (face value ₹ 10/- each)	14.68	5.21

34 Payment to Auditors*

Audit Fees	9.40	8.86
Tax Audit fees	0.75	0.75

*Exclusive of GST

35 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, 2024 <u>(Amount in ₹ Lacs)</u>	As at 31 March, 2023 <u>(Amount in ₹ Lacs)</u>
1) Raw Material	3,72.31	-
2) Stores & Spares	-	-
3) Plant & Machinery	50.40	-

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, 2024 <u>%age (Amount in ₹ Lacs)</u>		Year Ended 31 March, 2023 <u>%age (Amount in ₹ Lacs)</u>	
Cost of Materials Consumed				
Imported	1.32	3,72.31	-	-
Indigenous	98.68	2,78,60.84	100.00	1,62,42.24
		<u>2,82,33.15</u>		<u>1,62,42.24</u>
Store & Spares				
Imported	-	-	-	-
Indigenous	100.00	8,16.16	100.00	7,51.80
		<u>8,16.16</u>		<u>7,51.80</u>

36 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.

37 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.

38 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

B) Transactions with the related parties

(Amount in ₹ Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel & their enterprises	Associates
Remuneration Including Perks	1,33.35 (71.65)	- (-)	- (-)
Interest On Unsecured Loan	- (-)	32.46 (-)	- (-)
Loan Taken	- (-)	6,50.00 (-)	- (-)
Loan Repaid	- (-)	- (-)	- (-)
Loan Given	- (-)	- (-)	- (-)
Loan Received back	- (-)	- (-)	- (-)
Interest Income	- (-)	- (-)	- (-)
Rent Paid	- (-)	48.00 (36.00)	- (-)
Share of Expenses Received	- (-)	- (-)	- (-)
Share of Expenses Paid	- (-)	6.00 (2.98)	- (-)
Purchase of Raw Material & Stores	- (-)	- (-)	- (-)
Sales of Finished Products	- (-)	- (-)	- (-)

C) Balances of the related parties

(Amount in ₹ Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel & their enterprises	Associates
Unsecured Loans – Long Term	25.00 (25.00)	6,50.00 (-)	- (-)
Interest Payable	- (-)	4.41 (-)	- (-)
Remuneration Payable	43.50 (10.54)	- (-)	- (-)
Trade Payables	- (-)	4.82 (-)	- (-)

39 Management's disclosure in respect to inadmissible Managerial Remuneration

The company has paid Managerial Remuneration amounting to Rs.84,35,595/-, to directors without prior approval from the lenders. The directors undertake that in case the approval is not received, the remuneration so as received by the Directors shall be refunded. The financial Results are affected to that extent.

40 Financial Ratios

The ratios for the years ended March 31, 2024 are as follows:

Sr No.	RATIOS	FORMULAS	31.03.2024	31.03.2023
1	CURRENT RATIO	CURRENT ASSET/CURRENT LIABILITIES	0.38	0.28
2	DEBT EQUITY RATIO	TOTAL DEBT/ SHAREHOLDER EQUITY	-1.23	-1.33
3	DEBT SERVICE COVERAGE RATIO	NET OPERATING INCOME/DEBT SERVICE	0.31	0.14
4	RETURN ON EQUITY RATIO	NET INCOME/SHAREHOLDER EQUITY	-0.24	-0.13
5	INVENTORY TURNOVER RATIO	COGS/AVG INVENTORY	10.05	7.33
6	TRADE RECIEVABLE TURNOVER RATIO	NET CREDIT SALE/AVG ACCOUNT RECIEVABLE	19.18	19.64
7	TRADE PAYABLE TURNOVER RATIO	NET CREDIT PURCHASE/AVG ACCOUNT PAYABLE	7.46	8.62
8	NET CAPITAL TURNOVER RATIO	NET ANNUAL SALES / WORKING CAPITAL	-4.07	-1.69
9	RETURN ON CAPITAL EMPLOYED	EBIT/CAPITAL EMPLOYED	-0.30	-0.15
10	RETURN ON INVESTMENT	NET RETURN ON INVESTMENT/ASSETS	0.38	0.14

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

For **APT & CO LLP**
Chartered Accountants
Firm Registration No 014621C/N500088

For **Modern Dairies Limited**

CA Amrit Pal Singh
Partner
M. No. 508134

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

A K Aggarwal
(Director)
(DIN: 00486430)

Place: Chandigarh
Date: 18th May, 2024

Mukesh Sehgal
(Chief Financial Officer)

Shruti Joshi
(Company Secretary)

