

# आत्मनिर्भरता THROUGH DIGITALIZATION





# Maahi Shrikhand



Available in

**Kesar & Elaichi**  
100gm, 500gm, 6kg, 20kg



# MAAHI MILK PRODUCER COMPANY LIMITED

CIN : U01403GJ2012PTC070646

## Annual Report – 2021-2022

**BOARD OF DIRECTORS** (As on 28th July, 2022):

<b>Chairman:</b>	Shri Mahendrasinh Jadeja
<b>Director:</b>	Shri Rambhai Ram
	Shri Lalabhai Algotar
	Shri Vishvasbhai Dodiya
	Shri Mathurbhai Raiyani
	Smt. Shobhanaben Patoriya
	Shri Nagabhai Odedara
	Shri Goganbhai Kandoriya
	Smt. Sushilaben Pandya
	Shri. Vijaybhai Odedara

<b>Expert Director:</b>	Shri Sriram Singh
	Dr. C. P. Devanand

<b>Chief Executive &amp; Director:</b>	Dr. Sanjaykumar Govani
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<b>Company Secretary:</b>	Shri Sanjay Talati
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<b>Sr. Manager-Accounts &amp; Finance :</b>	Shri Vinay Kumar Inani
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**Statutory Auditors:**

S. B. Billimoria & Co. LLP  
Chartered Accountants

**Internal Auditors:**

Ernst & Young LLP  
Chartered Accountants

**Bankers:**

Axis Bank Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
State Bank of India  
Union Bank of India

**Registrar & Transfer Agent:**

Link Intime India Pvt. Ltd.

**Registered Office:**

3<sup>rd</sup> & 4<sup>th</sup> Floor, Sakar Building, Opp. Rajkumar College,  
Dr. Radhakrishnan Road, Rajkot-360 001, Gujarat.  
Tel.: 0281 2460732, Fax: 0281 2460734  
Email: info@maahimilk.com | Website : www.maahimilk.com

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## Values

- Quality at each level
- Innovation
- Trust
- Passion
- Accountability
- Long Term view
- Mutual Co-operation
- Honesty & Transparency

## Mission

Maahi Milk Producer Company Limited is committed for giving maximum return to the members through dairying.

## Vision

With strong commitment to our values, Maahi will be known as one of the World's leading companies in the area of milk business.

## Chairman's Message

To all my beloved milk producer members and members of the Board.

With the continuous and consistent support of all members, sahayaks, employees, customers and all the stakeholders who are associated with the Company, Company has achieved a sales turnover of Rs. 1526.56 Crores, while the Profit Before Tax is Rs. 28.68 Crores during the financial year 2021-22.

"Tauktae" Cyclone which occurred in the month of May 2021 hit the coastal area of Saurashtra Kutch region, has caused extensive damages in those areas. Operations of our several BMCs have also affected due to the Cyclone and we could not procure milk during those few days from the members associated with such BMCs. On the other side, second wave of COVID-19 has also adversely affected all the businesses and employment of the entire Nation. During such difficult times also members have kept their unbroken faith in the Company for which I am grateful to all our members. You are aware that Company has relaxed the criteria for payment of Incentives to affected members due to the "Tauktae" cyclone, considering the number of days milk procurement was affected.

In spite of the adverse situations of second wave of COVID-19 and

natural calamity of "Tauktae" cyclone, our Company has maintained its commitment and paid average milk price Rs. 46.20 per litre throughout the year which includes the payment of incentive of Rs. 30.11 Crore, based on the fulfillment of criteria.

Earlier, I appealed to all the members to feed Maahi Daan to their animals to improve the health of the animals and to increase animal's productivity, I appreciate to all our members that you have positively responded to my humble appeal. I like to share with you that with the support of the members, sale of Maahi Dan has increased by 134% as compared to the last year. Increase in sales of Maahi Dan reflects the awareness of our members for better animal health and increasing productivity.

I am thankful to all officers and employees of the company for the efficient operations of the company and successfully conducting various programs. Further, I am thankful for the co-operation and active support provided by the Expert Directors, Producer Directors, Members, Mother Dairy, customers, Bankers, service providers and all other stakeholders. I express my sincere gratitude to NDDB and NDDB Dairy Services for technical guidance provided during the year.

**Mahendrasinh Jadeja**  
**Chairman**

## Chief Executive's Message

Today whole country is taking a huge leap in the field of Digitalization and is becoming self-dependent. We are also progressing towards the "*Atmaneerbharta* through Digitalization". Company's employees have in-house developed and is maintaining various digital systems like Automatic Milk Collection System (AMCS), which runs through android mobile, has been installed at all our MPPs makes company's routine operational activities innovative, smooth and transparent, which in turn makes the company truly *Atmaneerbhar*.

ERP Software for BMC, Milk on Mobile App for delivering Milk and various Milk Products at doorsteps of consumers, BMC Auto Monitoring System for testing of quality of raw milk at BMC level, all these Applications/Software have been developed in house with tireless efforts by Maahi's IT department with the help of FES & Milk Procurement Department.

Company has been providing quality milk and milk products to its urban consumers and now with the implementation of concept of the Maahi Mall, company has started to serve village based consumers by offering fortified milk and milk products and thereby generates employment at rural level and makes needy people *Atmaneerbhar*. Day by day, company is increasing the number of Maahi Mall and Endeavor

would be to make one Maahi Mall in every Maahi's operational area.

During the year under review, our company has launched various new products like Buffalo Ghee of Jamkhambadiya region, delicious Shrikhand-made with natural ingredients and introduced the "*Naye India Ka Naya Dessert*" Misti Doi. Company has also re-launched flavored milk in new packing and new design.

All these products have received good response from the consumers. Now, company's market is not just restricted to Gujarat as our products are also available in Maharashtra state.

I would like to appreciate all the employees of the company who have worked determinedly, even during the tough time of second wave of COVID-19 and natural calamities of Tauktae cyclone, for the betterment of the members of the Company.

Even during the adverse situation, company has given competitive rate of milk to our milk producer members. I am really grateful to all our milk producer members for their immense trust and continuous support. I am also thankful to the Expert Directors and Producer Directors for their valuable guidance.

I am grateful to the National Dairy Development Board (NDDB), NDDB Dairy Services (NDS), Mother Dairy Fruits and Vegetable Private Ltd. (MDFVPL) and all other stakeholders.

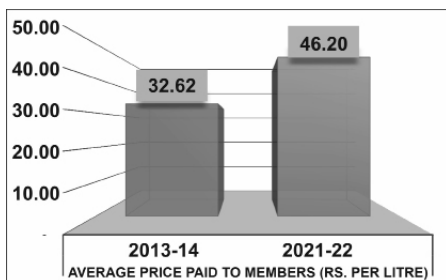
**Dr. Sanjaykumar Govani**  
**Chief Executive & Director**

## Business and Operations

Company is in the business of pooling, purchasing, processing of milk, and milk products and marketing of the same and deal in activities that are part of or incidental to any activity related thereto. Brief of the activities carried out and achievements made by the Company during the year is highlighted below:

### **(A) Milk Procurement:**

- At the end of the year, there were 1,01,641 members belonging to 2,430 Milk Pooling Points (MPPs) spread across 11 districts of Saurashtra and Kutch. They have poured average 7.06 LKGPd milk during the year, thus 7.53% Milk procurement growth as compared to last year. Company carries out chilling of milk through 49 BMCs.
- Second wave of COVID pandemic and “Tauktae” Cyclone have affected the operations of the company during the year. However, learning from the first wave of COVID, we gained experience to stand against all Odds and with focus on optimum utilization of resources with appropriate safety measures resulted into growth of 15% in volume of milk procurement per Milk Pooling Point (MPP) compared to last year.
- With consistent commitment towards ensuring maximum returns, yearly average milk rate paid to the members was Rs. 46.20 per liter. During the year under review, incentive amount of Rs. 30.11 Cr have been paid to eligible members.



- Towards women empowerment efforts and as a step towards the “Atmaneerbharta”, 27 flexi biogas plants with improved technology have been installed under New National Biogas and Organic Manure Programme (NNBOMP) by the NDDB, Anand. This has resulted into dual benefits viz., families who have installed biogas have become *Atmaneerbhar* for cooking gas and are getting highly organic enriched bio-manure. This also improves the sanitation of the villages and nearby area.
- Considering the preference of consumers towards cow milk and milk products, additional cow milk separation facilities have been created at Vadod, Chotila, Soladi and Vadgam BMCs.
- Continual efforts towards strengthening of milk procurement system and continual improvement in the quality of milk, by chilling the collected fresh milk of members at village level itself, 5 nos. of BMC have already been operationalized at 5 MPPs in various districts and during the year under review, another two 5 KL BMCs have been installed- viz., one at Kodiya MPP of Bhavnagar district and other at Dhaturia MPP of Jamnagar district under Hub-spoke model.

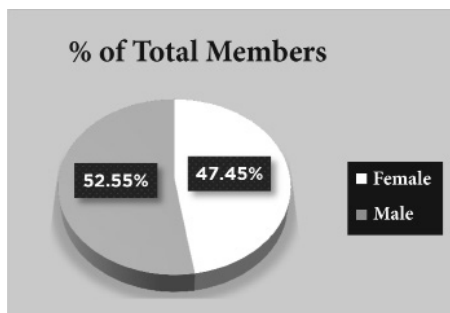
## (B) Field Engineering Service (FES):

Along with the progress of the company, there is also development in the field of technology. Details of progress in the Field Engineering Service is provided hereunder:

- Under the “**Maahi AMCS** (Automatic Milk Collection System)” Project, Company has successfully implemented the transfer of data related to FAT % & SNF% determined by Analyzer and Weight Parameters measured by Electronic Weight Scale in to the **Maahi AMCS** android based application through Bluetooth devise.
- During the year under review, “**Maahi AMCS**” project has been implemented at approximately 1,500 MPPs and further it has extended to all MPPs which has helped to overcome many limitations of the DPU in the DPMCU set and may help to switch over to 5G Technology. With the implementation of **Maahi AMCS** project, company truly becomes *Atmaneerbhar* as company has no longer to be dependent on any third party service provider for maintenance and services of Milk testing equipment.
- To enhance the safety and also to meet the ISO standrads, Rapar BMC and the admin block of the AFNU plant have been strengthened by increasing the infrastructure facilities.
- “Gravitational Roller Conveyors” have been installed at Jamnagar, Bhavnagar and Chalala which helps smooth dumping of milk cans, reduced the dock receiving time, reduced damage of milk cans and protect milk receiving docks.

## (C) Producer Institution Building (PIB):

- During the year under review, two membership drives were undertaken and total 23,815 new members were added. Out of total 1,01,641 registered members, 47.45% are female members.



- During the year under review, various awareness programmes and trainings have been conducted as below:
  - 1,208 Member Awareness Programs (MAPs) in which 24,274 members have participated.
  - 4 Leadership Development Programs (LDPs) in which total 75 members were trained.
  - 23 Youth Awareness Programs (YAP) under which 628 youth from rural, have participated.
  - 191 MRG Training through which 1,973 MRG Members were trained.
- To disseminate latest information and services provided by the Company and to resolve the alarming queries of members, 11,064 VCG Meetings & 700 MRG Meetings were conducted with pre-planned agenda. To promote the Digitalization, all the VCG meeting recorded on **VCG meeting app** - an android based mobile application

developed for conducting VCG meeting which helps to reduce the use of paper and makes compilation of data easy.

➤ Company publishes Quarterly magazine “**Maahimitra**” to make members aware about operations of the company, major events, success stories of our members and frequently asked questions along with their answers.

➤ As a part of the training programme for the producer Directors and to develop the skill and knowledge of new and experienced producer directors, an exposure visit conducted at Maalav Mahila Milk Producer Company Limited, Madhya Pradesh from 25-27 March, 2022.

➤ Keeping in view the standards of Hygiene and with excellent infrastructure facilities, Model MPP has been developed in each of our operational districts i.e. Amreli, Bhavnagar, Gir-Somnath, Jamnagar, Junagadh, Kutch and Porbandar providing as an example of ideal MPP.

## **(D) Productivity Enhancement Services (PES):**

### **Artificial Insemination (AI) Services:**

➤ 3,067 villages of 5 districts covered under the Services by 210 trained Mobile AI Technicians.

➤ Total 91,325 nos. of AI were carried out following SOPs.

➤ 2,825 high genetic merit female calves were born under the programme.

➤ 121 Farmers Awareness Meetings were organized.

➤ 40 infertility camps were conducted and 887 nos. of animals treated in camps for various type of disorders.

## **Fodder Development Programme:**

➤ Total 164 MT high quality Fodder seed of Maize & Jowar variant was distributed to 19,157 members at free of charge.

## **Deworming:**

➤ Deworming is a process to kill worms. It is economically important to deworm adult cattle at strategic times to improve production and re-production

➤ In order to help the members to keep their animals healthy & free from worm infestation with an effective & safe anthelmintic, Maahi has started to provide bolus regularly and during the year total 24,585 doses has been supplied to milk producers at subsidised rate.

## **Ration Balancing Programme (RBP):**

➤ RBP is being continued through qualified veterinarian providing advice to interested milk producers for reducing feed cost of their animals.

## **Mastitis Control Popularization Project (MCP):**

20 MPPs were selected and covered under MCP project.

➤ Total 411 nos. of pooled milk samples tested by CMT for subclinical mastitis from MCP MPPs. Total 20 milk samples were found positive and treated with Tri-Sodium Citrate powder (TSC Powder) and other EVM preparation.

➤ Total 154 nos. of cases found with

various types of disorders and treated with EVM practices out of which 108 nos. of cases were cured by using EVM Practice.

- Under the project, Antibiotic Residue and somatic cell count test have also been conducted.
- Total 3,650 EVM books have been distributed to VCG, MRG & milk producers.

### **Maahi Pashu Seva App:**

- Keeping in view the long demands from our members to provide the veterinary services at a doorstep, company is planning to start the veterinary services from the next fiscal year.

To provide the best and effective veterinary services, tagging of animals of our members is crucial which will help to keep track of history and accordingly the treatment of any disease becomes more effective.

- For better animal welfare through Digitalization, Company has developed in-house android based application i.e. Maahi Pashu Seva for field staff/MAITS/ Veterinary Doctors. This App will help our staffs to deliver timely and effective veterinary services.
- With an objective to cover all animals of 100% milk producer members under ear tagging campaign. During the year under review, total 30,146 animals have been tagged from 346 MPP villages.

### **(E) Quality and Manufacturing:**

- Company is committed to its Values and offers best quality and tasty products to its consumers.

- Milk undergoes through 32 quality checks at the BMC level itself and is passed through strict hygienic protocol that makes the Maahi milk and milk products safe. Company has focused view to continuously improve quality of raw milk in terms of improving MBRT to provide best quality of finished products to the consumers.

- During the year under review, Company has launched 5 new products; namely Premium Buffalo Ghee, Peda, Shrikhand, Mishti Doi and Kathiyavadi Chhash. In addition, it has also launched 6 kg and 20 Kg Shrikhand pack in bucket and 1 litre Premium Cow Ghee in Jar.

- During the year under review, company has received 5 Star Rating from FSSAI for our Vallabhipur BMC.

### **(F) Sale & Marketing:**

#### **➤ Sales**

With the strong sales network consisting of 18,036 – Retailers, 955- Distributors, 15 Milk Booth, 14- CODO, 38-DODO, 260-Shoppe, 144- MPO, 4 Mobile parlours & Milk on Mobile, company has achieved average sale of 2.96 lakh liter packed milk per day, Butter Milk 76,629 LPD, Dahi-10,722 KGPD, Paneer – 145 KGPD, Flavored Milk – 188 LPD. Further, during the year, sale of Ghee was 1,698 MT, Shrikhand – 23,525 KG, SMP- 34,340 KG and Misti Doi- 2,128 KG.

#### **➤ Milk on Mobile**

During the tough time of COVID-19 pandemic, company has taken innovative steps of Digitalization by launching Milk on mobile services, where consumers of Rajkot city can

avail Maahi's products at their door step with one click without any delivery charges. The system has been expanded to include the facility to subscribe for 7 days or 30 days for company's products. Company is successfully catering several households in Rajkot City by delivery of quality Milk and Milk Products at the doorsteps of consumer through Milk on Mobile Application.

### ➤ **Expanding Sales Network**

Company has expanded its sales network in new territories of Gujarat & Maharashtra in both General Trade and Modern Trade. Through general trade, our products are available in Ahmednagar Maharashtra and through Modern Trade products of the company are available in Reliance Retail-Mumbai having around 50 stores across Mumbai as well as 49 stores in various cities of Gujarat.

### ➤ **Maahi Mall**

Concept of "Maahi Mall" is developed in order to fulfil gap of reach on availability of quality Maahi products at a reasonable rate throughout the day to milk producers and residents of the village including servicemen, landless workers, and small business entrepreneurs through its Milk Pooling Point (MPP) across villages falling under Saurashtra & Kutch Region.

Till date 22 Maahi Mall has been operationalized at Amerli, Bhavnagar, Gir Somanth, Jamnagar, Junagadh, Kutch and Porbandar. "Maahi Mall" has not only provided the quality milk products to the rural consumers but also created an opportunity for self-employment and made the rural youth Atmaneerbhar.

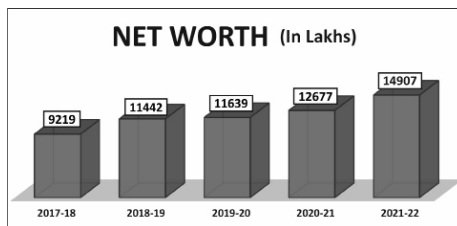
## **(G) Logistic -Supply Chain System:**

- Entire dairy value chain at Maahi is served by Inbound and Outbound logistics and transportation network which connects nearly 2,430 Milk Pooling Point (MPP), 10 manufacturing plants, 18,036 retailers and 955 distributors by its robust infrastructure.
- Digitalization in logistic has made easy to track the vehicles right from the picking up of the raw milk to the delivery of the finished products to the distributors. It also improved routing to make the timely delivery to ensure best quality milk is available from farmer to customer. Further to facilitate our Distributor an android based application has been developed i.e. **Maahi Sales Order** through which our distributor can place order and also track the delivery status through Application.
- The entire supply chain connects approximately 1,20,000 KM transportation daily, providing employment/ income opportunity to several households and contributing their social economic growth and made them Atmaneerbhar.

## **(H) Accounts & Finance :**

- As a part to promote Digitalization, collection of share application money & membership Fees in membership drive from rural area is done through QR code also.
- Efficient fund management lead to increase in Finance Income by 18.56% & reduction in Finance Cost by 26.40% in FY 2021-22 as compared to FY 2020-21.

- CARE Rating Ltd. ('CARE') retained the "AA-" (Double A Minus) rating in FY 2021-22. The Credit rating is an assessment of creditworthiness of the company.



## (I) Information Technology (IT):

Company's IT Dept. has taken various innovative steps to develop various in-house software/applications. IT team has been tirelessly working across various departments to make the company frontrunner in Digitalization in the milk business. It has developed various android based applications like Maahi Member, Maahi VCG Meeting, Maahi Sahayak, Maahi Sahayak Agreement System, BMC Energy Management, Cattle Feed Indent, Milk on Mobile etc.

Following is the glimps of innovative steps taken by the Company;

### **Maahi AMCS (Automatic Milk Collection System)**

- Maahi AMCS is an application for MPP through which Automatic milk collection of registered members is done through mobile application which is unique initiative in the field of Digitization in the milk business.
- Maahi AMCS works only in the registered mobile of Sahayaks.
- Real time data is received on the server through this Applications and instant

SMS is received by the member which has increased trust and transparency among members.

- Maahi AMCS can also be run offline (without internet).
- Deduction pertaining to the Maahi Product from the Milk bill of members, can also be made through Applications.
- Different types of reports like shift member / summary / dispatch / deduction reports are available in the Applications.
- New Product launch/ revision in rate of Maahi Products is automatically updated in the Applications.

### **Maahi ERP**

- Maahi ERP software is developed and maintained in-house by IT Dept. for dock collection at Bulk Milk Cooling (BMC) Center.
- BMC staff can easily and quickly collect data of Raw Milk Reception Dock (RMRD) in the software.
- Data integration is also easily done in SAP ERP
- Daily reports like variation / shift summary / member passbook / payment register are easily available through software.

### **Private Cloud for SAP**

- Company has implemented Hybrid cloud solution (Private Cloud for SAP) through IBM and Airtel sharing with 5 Milk Producer Companies.

## (J) Animal Feed & Nutrition Unit (AFNU):

- With the ISO 9001:2015 certified production facilities, company has achieved animal feed variants sales of

21,672 MT against budgeted target of 18,520 MT

- During the year under review, company has appointed new 71 distributors for sales of Cattle Feeds & sold total 3,118 MT of Cattle feed variants through these distributors.
- During the year under review, company has launched new product Makai Bhardo in 35 Kg which has got good response from our distributors.
- Company has provided various sales scheme to its members on all variants of Maahi Dan amounting to Rs.125.46 lakhs.
- To increase awareness among members about importance & benefits of Maahi Mineral Mixture, company has provided 1 kg Maahi Mineral Mixture pack as a complimentary along with 1 bag of cattle feed variant by which total of 35,042 packs (1 kg each) were given to members at free of cost. As a result, we have achieved highest sale of cattle feed during the year.
- “MAAHIDAN POWER” & “MAAHIDAN SAMPOORN”- the maximum selling variants possesses ISI mark, certified by Bureau of Indian Standards.
- To promote renewable energy and to reduce electricity cost 115 KW solar plants have been installed at AFNU.

### **(K) Inventory Management:**

- For Better Inventory Management and Tracking of the Assets and Critical Spares and Consumables, District Wise Cluster Stores for all Districts developed.
- As per defined SOP, Scrap Disposal

activity for non-working and non-repairable and scrap items carried out at regular interval for better hygiene of the Stores and better inventory management.

### **(L) Human Resource:**

- During the post pandemic era, company's Human Resource goals were primarily focused on restoring the social security among the employees. Accordingly, various efforts were exhilarated to enhance the company's social security benefits across all category of employees in terms of introducing employee contributed parents medi-claim benefits, extension of family medi-claim to temp staff and ensuring complete vaccination for all employees.
- Towards the objective of improving employees well being as well as to relieve and manage their stress levels, spiritual, yoga and meditation programs were organised for the employees for upgrading their spiritual quotient.

### **(M) Corporate Social Responsibility:**

The Company believes in inclusive growth encompassing health, welfare and development of the people working with it and communities around the workplace. During the year under review, following projects were undertaken:

#### **Project “Atmasamman”**

Under the Project, milk producers are educated by experts in the dairy industry on how to make animal husbandry an important means of livelihood as well as animal welfare in a scientific manner, which includes:

- Understanding about the importance of doing business of animal husbandry in a scientific manner to milk producer in rural areas through which they can enhance their livelihood.
- To make animal husbandry more profitable through increasing production.
- Women's participation in animal husbandry.
- Knowledge of Ethno veterinary practices for important diseases in animals.
- Informing about the importance of Ration Balancing in animal husbandry.
- Exposure visit at cattle feed factory (AFNU), Rajkot.

Under the CSR Project "Atmasamman", total 2,092 beneficiaries were given valuable information about importance

of animal husbandry to enhance their livelihood and animal welfare through scientific manner.

### **Project "Swasthya Sathe Vidhya"**

- The Project aims to eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and also to promote Education
- Under the project, 17 child awareness programs have been conducted which have benefited 1,250 rural school children.

### **Contribution to Prime Ministers National Relief Fund**

- Company has contributed Rs. 31,73,400/- towards Prime Ministers National Relief Fund

## DIRECTORS' REPORT

To,

**The Members of**

**Maahi Milk Producer Company Limited.**

The Directors of the Company are pleased to present their Tenth (10th) Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2022.

### 1. Financial Results and State of company's Affairs:

The company's financial performance for the year ended on 31<sup>st</sup> March, 2022 is summarized below.

(Rupees in Lakhs)

Particulars	2021-22	2020-21
Total Revenue	153,406.61	127,316.47
Total Expenses	150,538.42	126,467.28
Profit Before Tax/(Loss)	2,868.19	849.19
Tax Expense		
a. Current Tax	737.56	212.00
b. Deferred Tax	(11.66)	1.92
Net Tax Expense	725.90	213.92
<b>Net Profit After Tax/(Loss)</b>	<b>2,142.29</b>	<b>635.27</b>

► Operations of the company was affected in the first quarter of the year due to the second wave of COVID-19. Further, during the same period "Tauktae" cyclone hit the coastal area of Saurashtra and Kutch region due to which operations of several BMCs were affected for few days. Even in adverse situation at the beginning of the financial year, company has achieved total revenue of Rs. 153,406.61 Lakhs as against the Rs. 127,316.47 Lakhs for the previous year i.e. increase of 21% compared to the previous

financial year. Further, the company has earned a profit after tax of Rs. 2,142.29 Lakhs as against Rs. 635.27 Lakhs of the previous year.

### 2. Limited Return (Dividend):

Your Directors have pleasure to recommend a dividend of Rs. 8/- per equity share on 36,81,635 Equity Shares of Rs. 100/- each for the financial year ended on 31<sup>st</sup> March, 2022. The dividend on Equity Shares is subject to the approval of members at the 11th Annual General Meeting ("AGM"). The dividend once approved

by the members will be paid to those members whose names appear in the Register of Members as on 31<sup>st</sup> March, 2022. If approved, the dividend would result in cash outflow of Rs. 294.53 Lakhs.

### **3. Transfer to Reserve:**

The Board proposes to transfer an amount of Rs. 100 Lakhs to the credit of General Reserve in terms of relevant provisions of the Articles of Association of the Company read with Section 378ZI of the Companies Act, 2013.

### **4. Change in nature of Business:**

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

### **5. Material Changes and Commitments:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### **6. Transfer to Investor Education and Protection Fund:**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of

such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. During the year under review, Company has transferred Unpaid/unclaimed dividend pertaining to FY 2013-14 amounting to Rs. 4.14 Lakhs to the Investor Education and Protection Fund. Year-wise amounts of unclaimed / un-encashed dividends lying in the unpaid dividend account of the company, which are liable to be transferred to the IEPF, have been uploaded on the website of the Company <https://www.maahimilk.com/Members/Unclaimed-Dividend> and also on the website of the Ministry of Corporate Affairs.

### **7. Share Capital:**

The Paid up share capital of the Company at the close of the financial year remained Rs. 3,681.63 Lakhs while there were 1,01,641 members appeared on its Register of Members as on 31<sup>st</sup> March, 2022.

After the close of the financial year, because of admission of new members, cancellation of membership due to violation of Articles of Association and surrender of shares by the members, there are 99,706 members on the Register of members and the share capital of the Company stood at

Rs. 3,625.44 Lakhs up to the date of this report.

### **Voting rights and attendance at Annual General Meeting:**

With regard to exercise of voting right at the ensuing Annual General Meeting of the Company, out of the said 1,01,641 members as on 31<sup>st</sup> March, 2022, only 53,106 members are entitled to voting right and 48,535 members who did not pour milk for at least 200 days totaling to 500 liters in a previous financial year (2021-22) have lost their voting rights and are not entitled to vote at the ensuing Annual General Meeting.

Further, out of 53,106 members who were entitled for voting, 130 members have surrendered their shares while membership of 40 members have been cancelled and up to the date of this report, effectively only 52,936 members will be entitled to exercise voting right at the ensuing Annual General Meeting of the Company.

Those milk producers who were members as on 31<sup>st</sup> March 2022, but whose membership have been cancelled post 31<sup>st</sup> March, 2022 will be entitled to get the dividend for financial year 2021-22, if any declared by the members at the 11th AGM, but shall not be entitled to any share/membership related rights or benefits (including attendance & voting at AGM) as they have ceased to be the members of the Company. Similarly

new members, who were admitted as members of the Company post 31<sup>st</sup> March, 2022 will not be entitled for dividend for FY 2021-22 as well as voting right at ensuing AGM.

### **8. Board of Directors:**

#### **(a) Appointment/Re-appointment /Retirement at the 10th Annual General Meeting held on 7th September, 2021**

Smt. Shobhanaben Patoriya (DIN: 08190006) (Class-A) and Shri Nagabhai Lakhabhai Odedara (DIN: 08190536) (Class-B) were retiring at the 10th Annual General Meeting and being eligible for re-appointment, were re-appointed at the AGM.

Shri Mahendrabhai Goletar (DIN: 07888303) had fall down to 'Class-C' from 'Class-B' and hence not eligible for re-appointment. In his place, Shri Vijaybhai Arabhambhai Odedara (DIN: 09254982) (Class-B) was appointed as Director at the 10th AGM.

Smt. Sushilaben Pandya (DIN: 09116789) (Class- C) who was appointed by the Board as an additional director has been appointed as Director at the 10th AGM.

#### **(b) Cessation of Directors approved at the Board Meeting**

Shri Arvindbhai Makvana (DIN:

08915484) (Class-C) has resigned from the directorship and Board has accepted his resignation w.e.f. 8th January, 2022.

Tenure of Expert Director, Prof. Madhavi Mehta (DIN: 07055527), completed on 30th December, 2021 and accordingly she ceased

to be director from the date of completion of her tenure.

## 9. Board Meetings & Committee Meetings:

During the year under review, six Board meetings were held. The details of the Board Meeting conducted during the year is as under:

Board Meeting No.	Date of Board Meeting	Board Strength	No. of Directors Present
62 <sup>nd</sup> Board Meeting	28 <sup>th</sup> May, 2021	15	15
63 <sup>rd</sup> Board Meeting	29 <sup>th</sup> July, 2021	15	14
64 <sup>th</sup> Board Meeting	29 <sup>th</sup> September, 2021	15	11
65 <sup>th</sup> Board Meeting	29 <sup>th</sup> November, 2021	15	12
66 <sup>th</sup> Board Meeting	27 <sup>th</sup> January, 2022	13	11
67 <sup>th</sup> Board Meeting	25 <sup>th</sup> March, 2022	13	10

## Member Related Committee Meetings:

For the approval of applications for Transmission of Shares of the

Company and name correction of members, company has Member Related Committee. During the year under review, Committee met six times as under:

Committee Meeting No.	Date of Board Meeting
18 <sup>th</sup> Committee Meeting	10 <sup>th</sup> June, 2021
19 <sup>th</sup> Committee Meeting	21 <sup>st</sup> July, 2021
20 <sup>th</sup> Committee Meeting	22 <sup>nd</sup> September, 2021
21 <sup>st</sup> Committee Meeting	17 <sup>th</sup> November, 2021
22 <sup>nd</sup> Committee Meeting	06 <sup>th</sup> January, 2022
23 <sup>rd</sup> Committee Meeting	11 <sup>th</sup> March, 2022

### Stakeholders Relationship Committee:

Pursuant to requirement of section 178(5) of the Companies Act, 2013, Stakeholders Relationship Committee was constituted

by the Board at the 61st Board Meeting held on 30th March, 2021 to resolve the grievances of shareholders of the Company. The Committee consists of:

Sr. No.	Name of Director	Designation
1.	Shri Mahendrasinh Jadeja	Chairman
2.	Shri Vishvasbhai Dodiya	Member
3.	Dr. Sanjaykumar Govani	Member

During the year under review, one Committee meeting was held on 24<sup>th</sup> March, 2022.

### 10. Composition of Board:

Article 9.4 to article 9.6 of the Articles of Association of the company deals with the composition of Board. Article 9.4 provides for the criteria for categorizing the members into different classes, Article 9.5 provides that to the extent possible, representation on the Board shall be based on the patronage of the respective class and Article 9.6 provides that one fourth of the total elected directors shall retire by rotation at every Annual General Meeting and the directors who have been longest in office since their last appointment shall retire. As per Article 9.6 i, as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Considering the above provisions, the

new composition of the Board has been explained as below:

There were 1,01,641 members on the Register of members as on 31<sup>st</sup> March, 2022. Based on pouring pattern of members for FY 2021-22, there were 62,966 i.e. 61.95% of members who have fulfilled all the criteria of membership including those members who are admitted during the year 2021-22, but are deemed to belong to the class chosen by them and acquired the shares for that chosen class. Out of this, 5.62% belongs to class – A, 15.52% belongs to class – B and 78.86% belongs to class – C. Whereas, the proportionate percentages of Quantity of milk supplied during the year 2021-22 by the said Class – A , Class- B and Class – C of members were respectively 32.34%, 31.37% and 36.29%.

On the basis of the Qty. of milk poured by the respective class of members, the desirable no. of Directors on the Board should be 4 Directors of Class- A, 3

Directors of Class- B and 4 Directors of Class – C.

As per Article 9.6 i of the Articles of Association, 1/4th i.e. three directors will retire at the ensuing AGM.

Taking into account the provisions of Articles and present representation of the directors of the respective class on the Board, the retirement and reappointment of directors on the basis of the recommendation of Nominating committee is as under:

Out of the 10 elected directors on the Board of the Company, Shri Rambhai Ukabhai Ram, Shri Lalabhai Algotar and Shri Goganbhai Arshibhai Kandoriya have been longest in the office from the date of their last appointment/re-appointment.

Shri Rambhai Ukabhai Ram (Class-B) and Shri Lalabhai Algotar (Class-B) were re-appointed as Director on 7th September, 2018 and on 10th September, 2019 respectively. Whereas, Shri Goganbhai Arshibhai Kandoriya (Class-B) was appointed as Director on 10th September, 2019 and he will retire at the 11th Annual General Meeting and being eligible offered himself for the re-appointment. The Board on the recommendation of the Nominating Committee, recommended the re-appointment of Shri Goganbhai Arshibhai Kandoriya.

Shri Rambhai Ukabhai Ram and Shri Lalabhai Algotar will retire at

the ensuing 11th AGM as they will complete their two consecutive terms as Directors. Thus, they are not eligible for re-appointment as per the provisions of Article of Associations. In their place, Board has on the basis of the recommendation of Nominating Committee recommended the appointment of Shri Sharadkumar Mohanlal Mota (DIN: 0009680368) representing Class – A and Shri Rambhai Bavkubhai Budhas (DIN: 0009680410 representing Class – A as director on the Board.

Further, to fill the vacant position on the Board for Class- C, Board has on the basis of the recommendation of Nominating Committee recommended the appointment of Smt. Nilamben Makabhai Golitar (DIN: 09676104) representing Class- C members.

## **11. Directors' Responsibility Statement:**

In terms of Section 134 (5) of the Companies Act, 2013, the Directors state that:

- a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed and there are no material departures from the same.
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit of the Company for the financial year ended on that date;

- 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) They have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2022 on a going concern basis;
- e) They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. Statutory Auditors:

S. B. Billimoria & Co. LLP, Chartered Accountants have been appointed at the 10th Annual General Meeting to hold office upto the conclusion of the 11th Annual General Meeting of the Company.

The Auditor's Report for financial year 2021-22 does not contain any qualification, reservation or adverse remark.

During the year under review, the Statutory Auditors have not reported

any instances of frauds committed in the Company by its officers or employees to the Board under section 143(12) of the Companies Act, 2013 details of which would need to be mentioned in this Report.

Pursuant to the provisions of section 139(2) of Companies Act, 2013 read with rules thereunder and provisions of Chapter XXI-A, tenure of S. B. Billimoria & Co. LLP, Chartered Accountants as a Statutory Auditors will end after the 11th Annual General Meeting and in their place appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors has been recommended by the Board of Directors for the FY 2022-23.

## 13. Internal Auditors:

Ernst & Young LLP, Chartered Accountants, New Delhi have been appointed as Internal Auditors of the Company for the Financial Year 2021-22 by the Board of Directors in terms of Section 378ZF of the Companies Act, 2013 and rules and regulations made thereunder. The internal auditors conduct extensive audit throughout the year across all functional areas and submit their report to the Board.

During the year under review, no reportable material weakness in the operations was observed.

## 14. Corporate Social Responsibility:

In compliance with the requirements

of Sec. 135 of the Companies Act, 2013 read with Companies (CSR) Rules, 2014 as amended from time to time, Company has adopted the CSR policy and the same is provided on the website of the company at <https://www.maahimilk.com/Members/CSR-Policy>

Disclosure as required under the Companies (CSR) Rules, 2014 read with Companies (Accounts) Rules, 2014 as amended from time to time is enclosed as Annexure-A.

### **15. Cost Audit:**

As per the provisions of the Companies (Cost Records & Audit) Amendment Rules, 2014, Cost Audit is not Applicable to the Company.

### **16. Policy relating to Anti Sexual Harassment of Women at workplace:**

The Company has a policy to treat women employees with dignity and no discrimination against them plus zero tolerance towards any sexual abuse. The policy is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under. During the year under review, no complaint was received.

### **17. Deposits:**

The Company has neither accepted nor renewed any deposits within the meaning of Sec. 73 of the Companies

Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.

### **18. Particulars of Loans, Guarantees given and Investments made by the Company:**

The Company has not granted any loans, nor given any guarantee or securities or made investments within the meaning of Sec. 186 of the Act.

### **19. Secretarial standards:**

The Company complies with applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

### **20. Particulars of Contracts, Arrangements with related parties referred in Section 188 of the Companies Act, 2013:**

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis in terms of provisions of the Act. There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which might have potential conflict with the interest of the Company at large. Further, during the year, Company had not entered into any contract/arrangement/transaction with related parties which could be considered

material or which is required to be reported in the Form no. AOC-2 in terms of section 134(3) (h) read with section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. **Annexure- B.**

## **21. Internal Financial Control:**

Company believes that internal control is a pre-requisite for better governance and that business plans should be exercised within a framework of checks and balances. Internal financial control over financial reporting have been designed for creating management efficiency, to provide reasonable assurance on efficient conduct of business, ensure safeguarding of assets and reliability of accounting practices.

The Company uses renowned SAP system to record day to day transactions for accounting and financial reporting. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account.

As per Section 378 ZF of the Companies Act, 2013, Company has appointed Ernst & Young LLP, Chartered Accountants as Internal Auditors of the Company for the year 2022-23. The audit is based on internal audit plan. The Internal Auditors independently conduct extensive audit throughout the year across all functional areas and submit their report to the Board.

## **22. Risk Management:**

Company operates in a volatile

and uncertain world with a rapid changes. These changes bring a mix of opportunities and uncertainties impacting the company's objectives. Risk Management is embedded in the company's operating framework. The company's approach to addressing business risk is comprehensive and includes periodic review, evaluation and monitoring key risks and mitigation and effectiveness thereof. Pursuant to Section 134 (3) (n) of the Companies Act, 2013, a Risk Management Policy has been framed by the Board. Company's senior management identifies and monitors the risk on regular basis and evolves process and system to control and minimize it. Company believes that managing risks helps in maximizing returns. With regular check and evaluation business risk can be forecasted to the maximum extent and thus corrective measures can be taken in time.

## **23. Vigil Mechanism:**

Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and, to report concerns about unethical behavior. The Policy provides for framework and process to encourage and facilitate its employees and Directors to voice their concerns or observations without fear, or raise reports to the Management, of instance of any unethical or unacceptable business practice or event

of misconduct/unethical behaviours, actual or suspected fraud etc. This Policy is available on the Company's website on <https://www.maahimilk.com/Members/Vigil-Mechanism-Policy>.

During the year, there has been no complaints received under the Vigil Mechanism.

## **24. Energy Conservation, Environmental Protection, Technology Absorption & Foreign Exchange Earnings and Outgo:**

The particulars required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and provisions of Chapter XXIA, relating to energy conservation, environmental protection, technology absorption and foreign exchange earnings and outgo, are provided in Annexure-C to this Report.

## **25. Annual Return:**

Annual Return of the Company as on 31<sup>st</sup> March, 2022 in accordance Section 92 (3), Section 134(3)(a) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the company's website at [www.maahimilk.com](http://www.maahimilk.com).

## **26. Details of significant and Material Orders passed by the Regulators, Courts and Tribunals:**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## **27. Acknowledgement:**

The Board of Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to achieve a milestone.

The Board places on record its appreciation for the support and co-operation Company has been receiving from National Dairy Development Board, NDDB Dairy Services, Mother Dairy Fruit & Vegetable Private Limited, Customers, Suppliers, Distributors, Retailers and Members.

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

**For and on behalf of the Board of Directors**

**Sd/-**

**Mahendrasinh Jadeja**

**Chairman**

**(DIN: 07566111)**

**Date: 28<sup>th</sup> July, 2022**

**Place: Rajkot**

## ANNEXURE- A TO THE DIRECTORS' REPORT THE ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1) **Brief Outline on CSR Policy of the Company:**

The Company's CSR Policy includes activities which are in line with Schedule VII of the Companies Act, 2013. By prioritizing, Maahi focus on education, skilling and self employment, it seeks to help people and communities to bridge the opportunity gap.

It aims to actively involve itself in the social and economic development of the society, in which it operates, share profits with the society through responsible business practices as well as good governance and bring positive changes to the lives of mankind. The Company believes in delivering high quality products to meet the needs of the society.

### 2) **Composition of CSR Committee:**

Not applicable as per section 135(9) of the Companies Act, 2013

### 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:**

<https://www.maahimilk.com/Members/CSR-Policy>

### 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 of the company as per section 135(5):** Rs. 1586.66/- Lakhs

### 7) (a) **Two percent of average net profit of the company as per section 135(5):** 31.73/- Lakhs

### (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.:-** Not Applicable

### (c) **Amount required to be set off for the financial year:-** Not Applicable

### (d) **Total CSR obligation for the financial year (7a+7b-7c) Rs.** 31.73/- Lakhs

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

	Amount Unspent (Rupees in Lakhs)				
Total Amount Spent for the Financial Year. (Rupees in Lakhs)	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
43.72	NA	NA	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**
**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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		Amount spent for the project (Rupees in Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	NA	PM National Relief Fund -Item (viii) of the schedule VII	NA	NA	NA	31.73	Yes	NA	NA
2.	Atma-sam-man	Livelihood enhancement program and Animal Welfare Item (ii) & (iv) of the schedule VII	Yes	Gujarat	Rajkot	9.77	Yes	NA	NA

3.	Swas thya sath e Vidhya	Eradicating malnu- trition, promoting health care & Promote Education Item (i) & (ii) of the schedule VII	Yes	Gu- jarat	Amreli Bhavnagar Gir somnath Jamnagar Junagadh Kutch Porbandar Suren- dranagar	2.22	Yes	NA	NA
					TOTAL	43.72			

- (d) **Amount spent in Administrative Overheads:-** Not Applicable
- (e) **Amount spent on Impact Assessment, if applicable:-** Not Applicable
- (f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** Rs. 43.72/- Lakhs
- (g) **Excess amount for set off, if any:-**

Sr. No.	Particulars	Amount (Rupees in Lakhs)
i.	2% of average net profit of the Company as per Section 135(5)	31.73
ii.	Total amount spent for the financial year	43.72
iii.	Excess amount spent for the financial year [(ii)-(i)]	11.99
iv.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	11.99

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**
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).** Not Applicable

**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**

**Sd/-**

**Sd/-**

**Date: 28<sup>th</sup> July, 2022**  
**Place: Rajkot**

**Mahendrasinh Jadeja**  
**Chairman & Director**  
**DIN:07566111**

**Dr. Sanjaykumar Govani**  
**Chief Executive & Director**  
**DIN: 08814861**

## **ANNEXURE- B TO THE DIRECTORS' REPORT**

### **Particulars of Contracts/arrangements made with Related Parties**

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis**

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.

**For and on behalf of the Board of Directors**

**Date: 28<sup>th</sup> July, 2022**  
**Place: Rajkot**

**Sd/-**  
**Mahendrasinh Jadeja**  
**Chairman**  
**(DIN: 07566111)**

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

Statement regarding Conservation of Energy, Environmental Protection, Technology Absorption and Foreign Exchange Earnings and Outgo for the year ended on 31<sup>st</sup> March, 2022 as required under Section 134 (3) (m) and provisions of chapter XXIA of the Companies Act, 2013, which forms part of the Directors' Report.

### A. Conservation of Energy:

#### (I) the steps taken or impact on conservation of energy & (II) the steps taken by the company for utilizing alternate sources of energy

In line with the commitment of the company towards conservation of energy through adopting automation, development and modification in new technologies and renewable Source of Energy, use of solar energy. Efforts are being made to reduce electricity and furnace oil consumption with the steps taken as under:

- i. To use renewable source of green energy and reduce electricity power consumption, 115 KW solar rooftop power system installed at AFNU plant.
- ii. By modified refrigeration condenser system to water cooled in Instant

Milk Chilling Unit, we continuously improve quality of milk. Even during the high temperature, the water cooled system worked efficiently compared to air cooled system.

- iii. With continuous use of Solar water heater system to increase raw water temperature passes through boiler helps in saving in consumption of furnace oil.

#### Impact of Energy conservation measure –

- i. By installing solar rooftop power system, we can save approximately Rs. 13.28 Lakhs/Annum.
- ii. Modification in Instant Milk Chilling Unit (IMCU) helped in reducing milk chilling cost by approx. Rs. 0.06/- per ltr. and reducing in milk chilling process time which improve the quality of Milk with reduction in chilling cost.
- iii. Reduction in Furnace oil consumption by 0.71 liter Per MT of Cattle Feed production in FY: 2021-22. As result we are saving approx. Rs. 2.20/- Lakhs in furnace oil consumption in boiler.

(III) The capital investment on energy conservation equipment during the FY 2021-22 is Rs. 43.25/- Lakhs.

#### **B. Environmental Protection:**

Maahi Milk Producer Company Ltd. is fully committed to and always comply with all industry specific laws and regulations in all sphere of activities in the Company without any leniency. Apart from compliance of the company specific, product specific laws and regulations, Maahi has been collecting, processing and disposing of consumer plastic waste as a part of EPR activity.

#### **C. Technology Absorption:**

Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology.

#### **D. Total Foreign Exchange Earnings and Outgo:**

Details of foreign Exchange Earnings and outgo during the year is as under:

Foreign Exchange Earning - Rs. 0.87/- Lakhs (USD 1,178.10)

Foreign Exchange outgo - Nil

**For and on behalf of the Board of Directors**

**Date: 28<sup>th</sup> July, 2022**

**Place: Rajkot**

**Sd/-**  
**Mahendrasinh Jadeja**  
**Chairman**  
**(DIN: 07566111)**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

### MAAHI MILK PRODUCER COMPANY LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of MAAHI MILK PRODUCER COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2022, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the

Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon:

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations

which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s

internal financial controls over financial reporting.

- g) 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 Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 28 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund

by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 39 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 39 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 29 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020
3. As required by Section 378ZG of the Part IV of the Companies Act, 2013, we give in the "Annexure C" a statement on the matters specified in that Section.

("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For S. B. BILLIMORIA & CO. LLP**  
Chartered Accountants  
(Registration No. 101496W/W100774)

Jitendra Agarwal  
Partner  
(Membership No. 87104)  
(UDIN: 22087104ANTWAY8519)

Place: New Delhi  
Date : 28<sup>th</sup> July 2022

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Maahi Milk Producer Company Limited (“the Company”) as of 31 March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business,

including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

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

respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls

over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. B. BILLIMORIA & CO. LLP**

Chartered Accountants

(Registration No. 101496W/W100774)

Jitendra Agarwal

Partner

(Membership No. 87104)

(UDIN: 22087104ANTWAY8519)

Place: New Delhi

Date : 28<sup>th</sup> July 2022

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Reports on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state 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 has maintained proper records showing full particulars of intangible assets.

**b.** The Company has a program of verification of property, plant and equipment, so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain such assets were due for physical verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

**c.** The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.

**d.** The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

**e.** No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been

obtained and in respect of goods in transit, the goods have been delivered subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. The quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

- (iii) The Company has not made any investments in, provided any guarantee or security, and 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, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

- a. Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, cess and other material statutory dues applicable to the Company have been generally deposited by it with the appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.

- b. Details of dues of Income-tax, which have not been deposited as on 31 March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount of demand (in Rs Lakhs.)^	Amount paid under protest (in Rs Lakhs)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	2014-15	272.30	152.83
	Income Tax	Assessing officer	2018-19	11.94	11.94

^ Excludes statutory interest which is subject to final order.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a. The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- f. The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.
- (x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or fully, partly and optionally convertible debentures and hence reporting under clause (x)(b) of the Order is not applicable.
- (xi) a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- b.No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c.As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xi) a.In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b.We have considered, the internal audit reports issued to the Company during the year and covering the period from April 2021 to September 2021 and the final of the internal audit reports which were issued after the balance sheet date covering the period October 2021 to March 2022 for the period under audit.
- (xv) During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as

and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

There is no amount remaining unspent under subsection (5) of section 135 of the Companies Act for the current financial year, pursuant to any ongoing project. Hence, reporting under clause (xx)(b) of the Order is not applicable.

**For S. B. BILLIMORIA & CO. LLP**

Chartered Accountants

(Registration No. 101496W/W100774)

Place: New Delhi

Date : 28<sup>th</sup> July 2022

Jitendra Agarwal

Partner

(Membership No. 87104)

(UDIN: 22087104ANTWAY8519)

## ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date)

- |  |   |
|--|---|
| <p>a) The amount of debts due from sale of goods and services are as disclosed in note 16 to the financial statements. According to the information and explanations given to us, no debts other than those disclosed in note 16 to the financial statements are considered as doubtful of recovery.</p> | <p>d) In our opinion and according to the information and explanations given to us, the Company has not done any transaction which appears to be contrary to the provisions of Chapter XXIA of the Companies Act, 2013.</p>   |
| <p>b) According to the information and explanations given to us, the Company does not have cash on hand and does not hold any investment securities as at year-end.</p>  | <p>e) According to the information and explanations given to us, the Company has not granted any loan to its directors.</p>   |
| <p>c) The details of assets and liabilities as at 31 March, 2022 are as per the financial statements of the Company as at and for the year ended 31 March, 2022.</p>   | <p>f) According to the information and explanations given to us, the Company has not given any donations or subscriptions during the year.</p> <p>g) According to the information and explanations given to us, there are no other matters except stated above.</p> |

**For S. B. BILLIMORIA & CO. LLP**

Chartered Accountants

(Registration No. 101496W/W100774)

Place: New Delhi

Date : 28<sup>th</sup> July, 2022

Jitendra Agarwal  
Partner

(Membership No. 87104)  
(UDIN: 22087104ANTWAY8519)

# MAAHI MILK PRODUCER COMPANY LIMITED

## BALANCE SHEET AS AT 31 MARCH, 2022

Rupees in Lakhs

	Note No.	As at 31 March 2022	As at 31 March 2021
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	3,681.63	3,542.40
(b) Reserves and surplus	4	11,225.09	9,134.62
		14,906.72	12,677.02
<b>2. Deferred grant</b>	5	567.93	709.94
<b>3. Non - current liabilities</b>			
(a) Other long-term liabilities	6	2,674.09	2,240.21
(b) Long - term provisions	7	59.01	74.46
		2,733.10	2,314.67
<b>4. Current liabilities</b>			
(a) Short - term borrowings	8	8,477.93	8,673.62
(b) Trade payables	9		
(1) Total outstanding dues of micro enterprises and small enterprises		387.47	232.98
(2) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,150.50	7,435.26
(c) Other current liabilities	10	607.48	404.97
(d) Short - term provisions	11	101.64	108.29
		17,725.02	16,855.12
<b>Total</b>		<b>35,932.77</b>	<b>32,556.75</b>
<b>B. ASSETS</b>			
<b>1. Non - current assets</b>			
(a) Property, Plant and Equipment			
1. Tangible assets	12-A	2,566.34	3,142.12
2. Intangible assets	12-B	-	-
3. Capital work-in-progress		48.78	0.84
		2,615.12	3,142.96
(b) Deferred tax assets (net)	13	77.45	65.79
(c) Long - term loans and advances	14	510.54	651.43
		3,203.11	3,860.18
<b>2. Current assets</b>			
(a) Inventories	15	9,183.51	13,852.23
(b) Trade receivables	16	419.49	358.85
(c) Cash and cash equivalents	17	22,832.06	14,255.03
(d) Short - term loans and advances	18	129.56	106.87
(e) Other current assets	19	165.04	123.59
		32,729.66	28,696.57
<b>Total</b>		<b>35,932.77</b>	<b>32,556.75</b>

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

**For S.B. BILLIMORIA & CO. LLP**  
 Chartered Accountants

**Mahendrasinh Jadeja**  
 Director  
 (DIN: 07566111)

**Rambhai Ram**  
 Director  
 (DIN: 07235592)

**Dr. Sanjaykumar Govani**  
 Chief Executive & Director  
 (DIN: 08814861)

**JITENDRA AGARWAL**  
 Partner

**Vinay Kumar Inani**  
 Sr. Manager - Accounts & Finance

**Sanjay Talati**  
 Company Secretary  
 Membership No.A27144

 Place: New Delhi  
 Date: 28<sup>th</sup> July, 2022

 Place: Rajkot  
 Date: 28<sup>th</sup> July, 2022

# MAAHI MILK PRODUCER COMPANY LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

		Rupees in Lakhs	
	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
1. Revenue from operations	20	1,52,656.02	1,26,622.47
2. Other income	21	750.59	694.00
<b>3. Total revenue (1+2)</b>		<b>1,53,406.61</b>	<b>1,27,316.47</b>
<b>4. EXPENSES</b>			
(a) Cost of materials consumed	22	63,189.06	63,771.93
(b) Purchases of traded goods	23	70,361.72	52,938.11
(c) Changes in inventories of finished goods	24	3,317.24	(2,740.22)
(d) Employee benefits expense	25	2,090.87	2,045.46
(e) Finance costs	26	152.33	206.98
(f) Depreciation and amortization expense	12C	446.74	428.21
(g) Other expenses	27	10,980.46	9,816.81
<b>Total expenses</b>		<b>1,50,538.42</b>	<b>1,26,467.28</b>
<b>5. Profit before tax (3-4)</b>		<b>2,868.19</b>	<b>849.19</b>
<b>6. Tax expense:</b>			
(a) Current tax		737.56	212.00
(b) Deferred tax charges / (credit)		(11.66)	1.92
Net tax expense (a+b)		725.90	213.92
<b>7. Profit for the year (5-6)</b>		<b>2,142.29</b>	<b>635.27</b>
<b>8. Earnings per equity share:</b>	33		
(Nominal value Rs. 100 per share)			
(a) Basic		64.26	19.11
(b) Diluted		64.26	19.11

See accompanying notes forming part of the financial statements

**For and on behalf of the Board of Directors**

In terms of our report attached

**For S.B. BILLIMORIA & CO. LLP**  
Chartered Accountants

**Mahendrasinh Jadeja**  
Director  
(DIN: 07566111)

**Rambhai Ram**  
Director  
(DIN: 07235592)

**Dr. Sanjaykumar Govani**  
Chief Executive & Director  
(DIN: 08814861)

**JITENDRA AGARWAL**  
Partner

**Vinay Kumar Inani**  
Sr. Manager - Accounts & Finance

**Sanjay Talati**  
Company Secretary  
Membership No.A27144

Place: New Delhi  
Date: 28<sup>th</sup> July, 2022

Place: Rajkot  
Date: 28<sup>th</sup> July, 2022

# MAAHI MILK PRODUCER COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2022

Rupees in Lakhs

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	2,868.19	849.19
<b>Adjustments for :</b>		
Finance costs	149.56	196.07
Interest income	(666.90)	(542.16)
Provision for doubtful debts	(0.27)	0.27
Loss / (Profit) on sale of property, plant and equipments	(1.68)	(18.90)
Depreciation and amortization expense	446.74	428.22
Liabilities no longer required written back	(35.31)	(123.76)
<b>Operating profit before working capital changes</b>	<b>2,760.33</b>	<b>788.93</b>
<b>Adjustments for movement in working capital:</b>		
(Increase)/Decrease in inventories	4,668.72	(5,825.52)
(Increase)/Decrease in trade receivables	(60.37)	6,294.47
(Increase)/Decrease in long term loans and advances	5.33	10.34
Decrease in short term loans and advances	(22.69)	8.61
Increase in other long-term liabilities	433.88	501.55
(Increase)/Decrease in provision	(22.10)	29.45
Increase/(Decrease) in trade payables	905.04	(179.82)
Increase/(Decrease) in other current liabilities	177.26	(440.84)
<b>Cash generated from operations</b>	<b>8,845.40</b>	<b>1,187.17</b>
Net income tax paid	(602.00)	(339.38)
<b>Net cash flow from operating activities - (A)</b>	<b>8,243.40</b>	<b>847.79</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment (including capital work in progress)	(86.63)	(56.03)
Proceeds from sale of property, plant and equipment	58.27	50.73
Net proceeds from bank balances not considered as cash and cash equivalents	(11,433.65)	342.68
Interest received	625.45	474.04
<b>Net cash flow from/(used in) investing activities - (B)</b>	<b>(10,836.56)</b>	<b>811.42</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of share capital	139.23	(445.08)
Security premium received	231.57	362.72
Dividend paid	(288.95)	(258.91)
Finance costs paid	(149.62)	(214.39)
Increase/(Decrease) in short term borrowings	(195.69)	2,886.29
<b>Net cash flow used in financing activities - (C)</b>	<b>(263.46)</b>	<b>2,330.63</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(2,856.62)</b>	<b>3,989.84</b>
Cash and cash equivalents at beginning of the year	7,554.96	3,565.12
<b>Cash and cash equivalents at the end of the year</b>	<b>4,698.34</b>	<b>7,554.96</b>
<b>Components of Cash and cash equivalents as at:</b>		
Cash on hand	-	0.54
Balances with banks:		
- in current accounts	4,698.34	5,393.42
- in deposit accounts	-	2,161.00
Cash and cash equivalents as per Cash Flow Statement	4,698.34	7,554.96
Add: Bank balances not consider as cash and cash equivalents		
Deposits (original maturity of more than 3 months)	13,114.22	1,775.01
Balances held as security against bank borrowings	5,000.00	4,900.00
In earmarked accounts - Unpaid dividend accounts	19.50	25.06
Cash and cash equivalents as per Balance Sheet (Note 17)	<b>22,832.06</b>	<b>14,255.03</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For S.B. BILLIMORIA & CO. LLP**  
*Chartered Accountants*
**For and on behalf of the Board of Directors**
**Mahendrasinh Jadeja**  
*Director*  
 (DIN: 07566111)

**Rambhai Ram**  
*Director*  
 (DIN: 07235592)

**Dr. Sanjaykumar Govani**  
*Chief Executive & Director*  
 (DIN: 08814861)

**JITENDRA AGARWAL**  
*Partner*
**Vinay Kumar Inani**  
*Sr. Manager - Accounts & Finance*
**Sanjay Talati**  
*Company Secretary*  
 Membership No.A27144

 Place: New Delhi  
 Date: 28<sup>th</sup> July, 2022

 Place: Rajkot  
 Date: 28<sup>th</sup> July, 2022

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

## 1. Corporate information

Maahi Milk Producer Company Limited (“the Company”) was incorporated on 7 June 2012 under Part IXA of the Companies Act, 1956.

The Company procures milk directly from milk producers through ‘Milk Pooling Points’ in the villages of Gujarat. The Company trades in raw milk and also processes the milk procured for the manufacture of Polypack Milk (PPM), Butter Milk, Ghee, Dahi, Shrikhand, Paneer, Flavoured Milk, Skimmed Milk Powder, White Butter. The Company also manufactures Cattle Feed and Mineral Mixtures.

## 2. Significant accounting policies

The significant accounting policies are as follows:

### a. Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). The financial statements are prepared on accrual basis under

the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the period in which results are known/materialize.

### c. Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts

**MAAHI MILK PRODUCER COMPANY LIMITED**

Notes forming part of the financial statements

of cash and which are subject to insignificant risk of changes in value.

**d. Cash flow statement**

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

**e. Revenue recognition**

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyers, which generally coincides with the delivery of goods to customers.

**f. Other income**

Interest income on deposits is recognized on accrual basis.

**g. Property, Plant and Equipment and Intangible Assets****Property, Plant and Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import

duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on Property, plant and equipment after its purchase is capitalized only of such expenditure results in an increase in the future benefits from such asset beyond its previous assessed standard of performance.

**Intangible assets**

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over the management's

## MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

estimate of its useful life of three years.

### h. Capital work-in-progress

Assets which are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest if any.

### i. Depreciation and amortization

Depreciation on tangible assets has been provided on straight line method as per the useful life

prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets assessed as under based on technical advice, taking into account the nature of asset, the estimated usage of assets, the operating condition of the asset, past history of replacements, anticipated technological changes, manufactured warranties and maintenance support etc.

The usefull life specified for class of assets is as follows:

Description	Useful life (in years)
Building	20
Plant and equipment	3 - 10

Depreciation is provided pro-rata from the date of addition.

### j. Inventories

Inventories comprise raw materials and packing material, finished goods and stores and spares. Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined using weighted average method. Cost includes all charges incurred in bringing the inventories to their present location and condition. Finished goods include appropriate proportion of overheads.

### k. Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants related to depreciable Property, plant and equipment are treated as deferred grants which is recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset, i.e., depreciation charge on assets procured from such grants is appropriated from Deferred Grant and recognized in the Statement of Profit and Loss by way of reduced

**MAAHI MILK PRODUCER COMPANY LIMITED**

Notes forming part of the financial statements

depreciation charge.

Revenue government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis and are deducted in reporting the related expense.

**1. Employee benefits**

Employee benefits include Provident Fund, Employee State Insurance scheme, Gratuity and compensated absences.

**a. Defined contribution plans**

The Company's contributions to Provident Fund and Employees State Insurance scheme is considered as defined contribution plan and are charged to the Statement of Profit and Loss based on the amount of contributions required to be made as and when services are rendered by the employees.

**b. Defined benefit plans**

Gratuity is considered as defined benefit plan. Gratuity is provided based on actuarial valuation carried out at the balance sheet date. The incremental liability based on an actuarial valuation as per the 'Projected Unit Credit' method, as at the reporting date, is charged to the Statement of Profit and Loss Account. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

**c. Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefits include performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

**d. Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date on the basis of actuarial valuation.

**m. Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

**MAAHI MILK PRODUCER COMPANY LIMITED**

Notes forming part of the financial statements

**n. Taxes on income**

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legal

enforceable right for such set off.

**o. Borrowing cost**

Borrowing costs includes interest and ancillary costs incurred. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset, pertaining to the period from commencement of activities relating to construction/development of qualifying asset upto the date of capitalization of such asset, are capitalized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

**p. Impairment of assets**

At each balance sheet date, the Company reviews the carrying values of its Property, plant and equipment to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

**MAAHI MILK PRODUCER COMPANY LIMITED**

Notes forming part of the financial statements

Reversal of impairment loss is recognized as income in the statement of profit and loss.

**q. Segment Information****Business Segments (Primary)**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The Company is primarily engaged in procurement and sale of milk and milk products. This has been considered as a single business segment.

**r. Provisions and contingencies**

A provision is recognized when the Company has present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance

sheet date and adjusted to reflect the current best estimates. Contingent Assets are not recognized in the financial statements. Contingent liabilities are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

**s. Leases**

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the statement of profit and loss account on straight line basis over the lease term.

**t. Operating Cycle**

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

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

(in Lakhs)

	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
<b>3. Share Capital</b>				
(a) Authorised share capital Equity Shares of Rs. 100 each	50.00	5,000.00	50.00	5,000.00
(b) Issued, subscribed and fully paid up share capital Equity Shares of Rs. 100 each	36.81	3,681.63	35.42	3,542.40

See notes (i) to (v) below

Notes:

**(i) Rights, preferences and restrictions attached to shares**

The Company has issued one class of equity shares having face value of Rs. 100

each. Each member is entitled to one vote. Members are entitled to limited return and bonus in accordance with Articles of Association of the Company.

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

(in Lakhs)

	Year Ended 31 March, 2022		Year Ended 31 March, 2021	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
Shares outstanding at the beginning of the year	35.42	3,542.40	32.42	3,242.60
Shares issued during the year	5.42	542.01	8.54	854.28
Shares cancelled / surrendered during the year	(4.03)	(402.78)	(5.54)	(554.48)
<b>Shares outstanding at the end of the year</b>	<b>36.81</b>	<b>3,681.63</b>	<b>35.42</b>	<b>3,542.40</b>

**(iii)** None of the members holds 5% or more of the share capital of the Company.

**(iv)** No share has been issued for a consideration other than cash or by way of bonus shares during the year or 5 years immediately preceeding the financial year.

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

## (v) Details of Share holding of Promoters:

Sr. no.	Promoter Name	Share held by Promoters at the end of the year				
		31 March 2022		31 March 2021		% change during the year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1.	Shri Mahendrasinh Mahipatsinh Jadeja	162	0.004%	162	0.005%	0%
2.	Shri Rambhai Ukabhai Ram	158	0.004%	158	0.004%	0%
3.	Shri Mathurbhai Rambhai Raiyani	19	0.001%	19	0.001%	0%
4.	Shri Lalabhai Algotar	93	0.003%	74	0.002%	25.68%
5.	Smt. Shobhanaben Dineshbhai Patoriya	224	0.006%	224	0.006%	0%
6.	Shri Vishvasbhai Ramsingbhai Dodiya	38	0.001%	38	0.001%	0%
7.	Shri Mahendrabhai Bhupatbhai Goletar*	NA	0.000%	54	0.002%	0%
8.	Shri Nagabhai Lakhabhai Odedara	48	0.001%	48	0.001%	0%
9.	Shri Goganbhai Arashibhai Kandoriya	61	0.002%	61	0.002%	0%
10.	Shri Arvindbhai Lakhmanbhai Makvana**	NA	0.000%	38	0.001%	0%
11.	Shri Vijaybhai Arabhambhai Odedara#	101	0.003%	NA	0.000%	0%
12.	Smt. Sushilaben Rajendrakumar Pandya#	27	0.001%	NA	0.000%	0%

\* Ceases to be director of the company w.e.f. 07 September, 2021.

\*\* Ceases to be director of the company w.e.f. 08 January, 2022.

# Appointed as director of the company w.e.f. 07 September, 2021.

## 4. Reserves and surplus

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>(a) General Reserve</b>		
Opening balance	4,029.10	3,929.10
Add: Transferred from surplus in Statement of Profit and Loss	100.00	100.00
<b>Closing balance</b>	<b>4,129.10</b>	<b>4,029.10</b>
<b>(b) Security Premium</b>		
Opening balance	1,356.01	993.29
Add: Premium on shares issued during the year	271.01	428.26
Less: Premium paid on cancellation/surrender of shares	39.44	65.54
<b>Closing Balance</b>	<b>1,587.58</b>	<b>1,356.01</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

## Notes forming part of the financial statements

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>(c) Surplus in Statement of Profit and Loss</b>		
Opening balance	3,749.51	3,473.65
Add: Net profit for the year	2,142.29	635.27
Less:		
(1) Final limited return (dividend) to members for the year ended 31 March, 2021 (Rs. 8 per share)	283.39	259.41
(2) Transferred to general reserve	100.00	100.00
Closing balance	5,508.41	3,749.51
	<b>11,225.09</b>	<b>9,134.62</b>
<b>5. Deferred grant</b>		
(a) Opening balance	709.94	842.77
(b) Less: Depreciation on assets acquired from capital grant (see note 12)	137.70	125.20
(c) Less: Loss / (Gain) on write-off of property, plant and equipment	4.31	7.63
	<b>567.93</b>	<b>709.94</b>
<b>6. Other long-term liabilities</b>		
(a) Trade / security deposits received	2,674.09	2,240.21
	<b>2,674.09</b>	<b>2,240.21</b>
<b>7. Long term provisions</b>		
(a) Provision for employee benefits:		
(i) For compensated absences (see note 11(a)(i))	59.01	74.46
	<b>59.01</b>	<b>74.46</b>
<b>8. Short term borrowings</b>		
From banks:		
(a) Secured loan		
(i) Working capital loans repayable on demand (see note (i) and (ii) below)	4,147.93	3,963.62
(ii) Working capital loans repayable other than demand (see note (iii) below)	2,830.00	3,210.00
(b) Unsecured loans		
(i) Working capital loan (see note (iv) below)	1,500.00	1,500.00
	<b>8,477.93</b>	<b>8,673.62</b>

**Note:**

- (i) The Company has taken working capital loan in the nature of bank overdraft facility from Axis Bank for a period of 12 months which is repayable on demand. The balance outstanding at the year end was Rs. 4147.89 lakhs (previous year Rs. 3,963.62 lakhs). During the current year, the rate of interest was in the range of 3.95% to 4.15% (previous year interest was in the range of 4.01% to 5.36%). The loan is secured against fixed deposits of the Company with the bank (See Note 17).

# MAAHI MILK PRODUCER COMPANY LIMITED

## Notes forming part of the financial statements

- (ii) The Company has taken cash credit facility from HDFC Bank which is repayable on demand. The applicable rate of interest on is Repo Rate + 2.30%. The balance outstanding at the year end was Rs. 0.04 lakhs (previous year Rs. 0.01 lakhs). During the current year, the rate of interest was in the range of 6.30% to 7.45% (previous year interest was in the range of 6.50% to 7.45%). The loan is secured by hypothecation of inventories and trade receivables of the Company (See Note 15 and 16).
- (iii) The Company has taken working capital demand loan from HDFC Bank. The loan can be for taken for a maximum period of upto 180 days. The applicable rate of interest is Repo Rate + 1.20%. During the current year, the rate of interest ranges from 5.20% to 5.80% (previous year interest rate ranges from 5.80% to 7.40%). The loan is secured by hypothecation of inventories and trade receivables of the Company (See Note 15 and 16).
- (iv) The Company has taken an unsecured one time short term facility of working capital loan from ICICI Bank for a period of upto 90 days or upto the period of facility, whichever is earlier. During the current year, the rate of interest was in the range of 5.00% to 5.20% (previous year 5.20%).

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>9. Trade payables</b>		
(Other than acceptances)		
Total outstanding dues of micro enterprises and small enterprises (See note 38)	387.47	232.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,150.50	7,435.26
	<b>8,537.97</b>	<b>7,668.24</b>

### 9.1 Trade Payable Ageing Schedule

(Rupees in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payments as at 31 March, 2022				Total
		Less than 1 year	1-2 year	2-3 year	more than 3 year	
(i) MSME	281.24	104.40	0.77	1.06	-	387.47
(ii) Others	8,024.13	109.43	4.83	1.13	10.98	8,150.50
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>8,305.37</b>	<b>213.83</b>	<b>5.60</b>	<b>2.19</b>	<b>10.98</b>	<b>8,537.97</b>

Particulars	Not Due	Outstanding for following periods from due date of payments as at 31 March, 2021				Total
		Less than 1 year	1-2 year	2-3 year	more than 3 year	
(i) MSME	-	205.12	19.96	1.21	6.69	232.98
(ii) Others	7,369.62	49.43	1.72	5.32	9.17	7,435.26
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>7,369.62</b>	<b>254.55</b>	<b>21.68</b>	<b>6.53</b>	<b>15.86</b>	<b>7,668.24</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

## 9.2 Relationship with struck off companies

(Rupees in Lakhs)

As on 31 March 2022				
Name of struck off company	Nature of Transaction	Relationship	Transaction during the year	Balance Outstanding
No Such Case	No Such Case	No Such Case	–	–

As on 31 March 2021				
Name of struck off company	Nature of Transaction	Relationship	Transaction during the year	Balance Outstanding
Jay Khodiyar Tours & Travels Pvt. Ltd.	Payable	Vendor	3.50	–

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>10. Other current liabilities</b>		
(a) Advances from customers	342.37	228.93
(b) Interest accrued but not due on borrowings	4.23	4.29
(c) Unclaimed / unpaid dividends	19.50	25.06
(d) Application money received for allotment of securities and due for refund	1.18	–
(e) Payable on purchase of property, plant and equipment	49.53	18.66
(f) Statutory remittances	182.88	126.36
(g) Others	7.79	1.67
	<b>607.48</b>	<b>404.97</b>
<b>11. Short term provisions</b>		
(a) Provision for employee benefits		
(i) For compensated absences (net of fund value of Rs. 386.79 Lakhs; Previous year Rs. 330.40 Lakhs)	88.19	85.35
(ii) For gratuity (net of fund value of Rs. 291.78 Lakhs; previous year Rs. 254.16 Lakhs)	13.45	22.94
	<b>101.64</b>	<b>108.29</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

(Rupees in Lakhs)

## 12. Property, Plant and Equipment

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	As at 1 April, 2021	Additions	Disposals	As at 31 March, 2022	As at 1 April, 2021	Adjustment	Depreciation charge for the year	On Disposals	As at 31 March, 2022
<b>A.</b>									
Tangible assets (owned)									
Building	201.52	-	0.33	201.19	55.63	-	8.38	0.33	63.68
	(204.13)	(-)	(2.61)	(201.52)	(47.99)	(-)	(10.25)	(2.61)	(55.63)
Plant & Equipment	6,492.53	19.57	140.14	6,371.96	3,573.34	8.00	518.39	92.18	4,007.55
	(6,594.27)	(34.45)	(136.19)	(6,492.53)	(3,151.85)	(-)	(523.44)	(101.95)	(3,573.34)
Furniture and fixtures	183.40	1.35	3.56	181.19	170.94	-	2.97	3.22	170.69
	(209.39)	(-)	(25.99)	(183.40)	(190.80)	(-)	(1.57)	(21.43)	(170.94)
Computers	730.60	37.77	10.51	757.86	727.42	-	6.51	10.51	723.42
	(821.52)	(0.46)	(91.38)	(730.60)	(813.79)	(-)	(5.00)	(91.37)	(727.42)
Office Equipments	142.82	10.87	13.29	140.40	81.42	-	48.19	8.69	120.92
	(144.65)	(0.99)	(2.82)	(142.82)	(69.97)	(-)	(13.15)	(1.70)	(81.42)
<b>Total</b>	<b>7,750.87</b>	<b>69.56</b>	<b>167.83</b>	<b>7,652.60</b>	<b>4,608.75</b>	<b>8.00</b>	<b>584.44</b>	<b>114.93</b>	<b>5,086.26</b>
	<b>(7,973.96)</b>	<b>(35.90)</b>	<b>(258.99)</b>	<b>(7,750.87)</b>	<b>(4,274.40)</b>	<b>(-)</b>	<b>(553.41)</b>	<b>(219.06)</b>	<b>(3,142.12)</b>
<b>B.</b>									
Intangible assets (other than self generated)									
Computer Software	195.90	-	0.35	195.55	195.90	-	-	0.35	195.55
	(198.71)	(-)	(2.81)	(195.90)	(198.71)	(-)	(-)	(2.81)	(195.90)
<b>Total</b>	<b>195.90</b>	<b>-</b>	<b>0.35</b>	<b>195.55</b>	<b>195.90</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>195.55</b>
	<b>(198.71)</b>	<b>(-)</b>	<b>(2.81)</b>	<b>(195.90)</b>	<b>(198.71)</b>	<b>(-)</b>	<b>(-)</b>	<b>(2.81)</b>	<b>(195.90)</b>

**MAAHI MILK PRODUCER COMPANY LIMITED**

Notes forming part of the financial statements

### C. Depreciation and amortisation:

(Rupees in Lakhs)

C. Depreciation and amortisation:		(Rupees in Lakhs)
	Year Ended 31 March 2022	Year Ended 31 March 2021
Tangible assets	584.44	553.41
Intangible assets	—	—
Less: Depreciation pertaining to assets acquired on grant	137.70	125.20
	446.74	428.21

**D. Figures in brackets represent the previous year figures.**

**Note:**

(i) The details of assets purchased out of capital grant and included in the above schedule are given below (see note 34):

(Rupees in Lakhs)									
Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Adjustment* Charge for the Year	On Disposals	As at 31 March 2022	As at 31 March 2021
Tangible assets:									
Buildings	69.35 (69.35)	- (-)	- (-)	69.35 (69.35)	18.28 (14.81)	- (-)	3.30 (3.47)	21.58 (18.28)	47.76 (51.07)
Plant and equipment	1,569.94 (1,577.73)	- (-)	16.35 (7.79)	1,553.59 (1,569.94)	926.78 (814.60)	8.00 (-)	116.09 (116.52)	1,036.79 (926.78)	516.80 (643.16)
Office equipment	53.47 (53.67)	- (-)	5.32 (0.20)	48.15 (53.47)	31.09 (26.20)	- (-)	18.01 (5.00)	45.79 (22.38)	2.36 (-)
Furniture and fixtures	179.49 (145.43)	- (-)	1.85 (25.94)	147.64 (149.49)	148.17 (169.35)	- (-)	0.30 (0.20)	146.65 (148.17)	0.99 (1.32)
Computers	631.33 (718.05)	- (-)	- (86.72)	631.33 (631.33)	631.31 (718.03)	- (-)	- (86.72)	631.31 (631.31)	0.02 (0.02)
Intangible assets :									
Computer Software	168.78 (168.78)	- (-)	- (-)	168.78 (168.78)	168.78 (168.78)	- (-)	- (-)	168.78 (168.78)	- (-)
Total	2,642.36 (2,763.01)	- (-)	23.52 (120.65)	2,618.84 (2,642.36)	1,924.41 (1,911.77)	8.00 (-)	137.70 (125.19)	2,050.90 (1,924.41)	567.93 (717.95)

\* The adjustment of Rs. 8 Lakhs is on account of amount unpaid for the assets purchased in Financial year 2014-15 which is written off during the Financial year 2021-22.

**(ii) Capital-work-in progress ageing schedule:**

(Rupees in Lakhs)

Particulars	As at 31 March, 2022			Total
	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	
<b>Project in Progress:</b>				
Plant and equipment	48.24	-	-	48.24
Computers	0.54	-	-	0.54

## MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

### Capital-work-in progress ageing schedule:

(Rupees in Lakhs)

Particulars	As at 31 March, 2021				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress:					
Plant and equipment	0.84	–	–	–	0.84

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>13. Deferred tax assets/(liabilities) (net)</b>		
(i) Tax effect of items constituting deferred tax assets:		
a. On difference between book balance and tax balance of property, plant and equipment & intangible assets	36.75	19.46
b. Provision for compensated absences and gratuity	40.43	45.99
c. Others	0.27	0.34
<b>Net deferred tax assets/(liabilities)</b>	<b>77.45</b>	<b>65.79</b>
<b>14. Long - term loans and advances</b> (Unsecured, considered good)		
(a) Security deposits	84.11	86.98
(b) Prepaid Exp	–	2.46
(c) Income tax paid under protest	164.77	123.05
(d) Advance income tax (net of provision of Rs. 1,182.50 Lakhs; previous year Rs.1,382.00 Lakhs)	261.66	438.94
	<b>510.54</b>	<b>651.43</b>
<b>15. Inventories</b> (At lower of cost and net realisable value)		
(a) Raw and packing materials	5,730.69	7,215.42
(b) Raw materials in transit	391.01	264.81
	6,121.70	7,480.23
(c) Finished goods	3,009.66	6,326.89
(d) Stores and spares	52.15	45.11
	<b>9,183.51</b>	<b>13,852.23</b>

**Note:** Inventories are pledged against secured working capital loan (See Note 8).

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

		(Rupees in Lakhs)	
		As at 31 March 2022	As at 31 March 2021
<b>16. Trade receivables</b>			
(a) Outstanding for a period exceeding six months from the date they were due for payment			
(i) Secured, considered good		—	—
(ii) Unsecured, considered good		—	—
(iii) Unsecured, considered doubtful		1.06	1.33
		1.06	1.33
Less: Provision for doubtful debts		1.06	1.33
		—	—
(b) Others			
(i) Secured, considered good		86.46	89.67
(ii) Unsecured, considered good		333.03	269.18
		<b>419.49</b>	<b>358.85</b>

**Note:** Trade receivables are pledged against secured working capital loan (See Note 8).

## 16.1 Trade Receivable Ageing Schedule

(Rupees in Lakhs)

Particulars	Outstanding for the following periods from due date of Payment as at 31 <sup>st</sup> March, 2022						Total
	Not Due	Less than 6 Month	6 month- 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade Receivable							
(i) Consider Good	321.50	97.99	—	—	—	—	419.49
(ii) Consider Doubtful	—	—	—	—	—	—	—
(b) Disputed Trade Receivable							
(i) Consider Good	—	—	—	—	—	—	—
(ii) Consider Doubtful	—	—	—	—	—	1.06	1.06
<b>Total</b>	<b>321.50</b>	<b>97.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.06</b>	<b>420.55</b>

(Rupees in Lakhs)

Particulars	Outstanding for the following periods from due date of Payment as at 31 <sup>st</sup> March, 2021						Total
	Not Due	Less than 6 Month	6 month- 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade Receivable							
(i) Consider Good	239.69	96.82	22.34	—	—	—	358.85
(ii) Consider Doubtful	—	—	—	—	—	—	—
(b) Disputed Trade Receivable							
(i) Consider Good	—	—	—	—	—	—	—
(ii) Consider Doubtful	—	—	—	—	—	1.33	1.33
<b>Total</b>	<b>239.69</b>	<b>96.82</b>	<b>22.34</b>	<b>-</b>	<b>-</b>	<b>1.33</b>	<b>360.18</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	(Rupees in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>17. Cash and cash equivalents</b>		
(a) Cash on hand	—	0.54
(b) Balance with banks:		
(i) In current accounts	4,698.34	5,393.42
(ii) In deposit accounts - original maturity of 3 months or less	—	2161.00
Cash and cash equivalents as per AS -3 - Cash flow statement	4,698.34	7,554.96
(c) Other bank balances		
(i) In deposit accounts - original maturity of more than 3 months and upto 12 months	13,114.22	1,775.01
(ii) Balances held as security against bank borrowings - refer note (i)	5,000.00	4,900.00
(iii) In earmarked accounts - Unpaid dividend accounts	19.50	25.06
	<b>22,832.06</b>	<b>14,255.03</b>
Note: (i) Fixed deposits amounting to Rs.5,000/- Lakhs (Previous year Rs. 4,900/- Lakhs) have been pledged against working capital loan (see note 8)		
<b>18. Short - term loans and advances</b>		
(Unsecured, considered good)		
(a) Advances to vendors	86.25	60.30
(b) Prepaid expenses	43.31	44.68
(c) Grant receivable from NDDDB		
(i) MCPP Project	—	1.89
	<b>129.56</b>	<b>106.87</b>
<b>19. Other current assets</b>		
(Unsecured, considered good)		
(a) Interest accrued on bank deposits	145.52	69.02
(b) Interest subvention receivable	19.52	54.57
	<b>165.04</b>	<b>123.59</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

(Rupees in Lakhs)

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>20. Revenue from operations</b>		
(a) Sale of products		
(i) Gross sale	1,52,435.90	1,48,760.88
(ii) Less: sale to third parties (milk processors) for repurchase (see note (i) below)	–	22,301.91
(iii) Net sales (see note (ii) below)	1,52,435.90	1,26,458.97
(b) Other operating revenue (see note (iii) below)	220.12	163.50
	<b>1,52,656.02</b>	<b>1,26,622.47</b>
<b>Notes:</b>		
(i) This represents sales made to third parties for processing and packaging of milk which is re-purchased from them for sale to customers.		
(ii) <b>Sales of products comprises:</b>		
<b>a. Manufactured goods</b>		
i. Polypack milk	49,195.72	47,101.63
ii. Milk products	22,102.08	20,463.42
iii. Cattle feed	4,356.93	1,975.28
iv. Others	136.97	57.71
	<b>75,791.70</b>	<b>69,598.04</b>
<b>b. Traded goods</b>		
i. Raw milk	76,644.20	56,860.93
	<b>1,52,435.90</b>	<b>1,26,458.97</b>
(iii) <b>Other operating revenue comprises:</b>		
a. Sale of scrap	108.89	49.85
b. Crate recovery charges	32.33	41.84
c. Others	78.90	71.81
	<b>220.12</b>	<b>163.50</b>
<b>21. Other income</b>		
(a) Interest income		
(i) On deposits with banks	620.52	523.39
(ii) On others	46.38	18.77
(b) Other non-operating income		
(i) Membership fees	12.75	0.04
(ii) Liabilities no longer required written back	35.31	123.76
(iii) Profit on sale of property, plant and equipment (net)	1.68	18.90
(iv) Write back of provision for doubtful debts	0.27	–
(v) Miscellaneous income	33.68	9.14
	<b>750.59</b>	<b>694.00</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

(Rupees in Lakhs)

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>22. Cost of materials consumed</b>		
<b>Raw and packing material</b>		
(a) Opening stock	7,480.23	4,390.61
(b) Add: Purchases	61,830.53	66,861.55
	69,310.76	71,252.16
(c) Less: Closing stock	6,121.70	7,480.23
	<b>63,189.06</b>	<b>63,771.93</b>
<b>Notes:</b>		
(i) Raw and Packing material consumed comprises		
a. Raw milk	57,675.92	61,219.34
b. Raw materials used for cattle feed	3,269.96	1,412.83
c. Packing material	2,243.18	1,139.76
	<b>63,189.06</b>	<b>63,771.93</b>
<b>23. Purchases of traded goods</b>		
(a) Raw milk	70,361.72	52,938.11
	<b>70,361.72</b>	<b>52,938.11</b>
<b>24. Changes in inventories of finished goods</b>		
<b>Decrease/(increase) in inventories of finished goods</b>		
(a) Inventories at the beginning of the year	6,326.90	3,586.68
(b) Inventories at the end of the year	3,009.66	6,326.90
<b>Net (increase)/decrease</b>	<b>3,317.24</b>	<b>(2,740.22)</b>
<b>25. Employee benefits expense</b>		
(a) Salaries and wages	1,854.35	1,823.77
(b) Contribution to provident and other fund (see note 30)	175.11	182.30
(c) Staff welfare expenses	61.41	39.39
	<b>2,090.87</b>	<b>2,045.46</b>
<b>26. Finance costs</b>		
(a) Interest expense		
(i) On borrowings	144.65	191.53
(ii) On trade/security deposits	4.91	4.54
(b) Interest on delayed payment of taxes	–	0.03
(c) Other borrowing costs	2.77	10.88
	<b>152.33</b>	<b>206.98</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

## Notes forming part of the financial statements

(Rupees in Lakhs)

	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>27. Other expenses</b>		
(a) Consumption of stores and spare parts	450.80	340.80
(b) Power and fuel	309.50	287.32
(c) Processing charges	4,081.99	3,359.29
(d) Rent	338.43	345.40
(e) Repair and maintenance - machinery	282.01	160.31
(f) Repair and maintenance - buildings	94.97	30.36
(g) Repair and maintenance - others	25.91	35.65
(h) Insurance charges	11.87	14.79
(i) Rates and taxes	7.45	5.18
(j) Water charges	2.22	2.49
(k) Advertisement and business promotion	174.76	134.15
(l) Distribution, freight and forwarding expenses	2,866.65	3,106.38
(m) Legal and professional fees	349.97	316.16
(n) Auditor's remuneration (see note (i))	22.53	18.09
(o) Travelling and conveyance	186.83	129.26
(p) Sales discount and other charges	206.50	121.85
(q) Printing and stationery expenses	36.49	36.06
(r) Telephone and internet expenses	124.50	108.41
(s) Labour charges	1,206.10	1,096.55
(t) Corporate Social Responsibility (CSR) expenditure (see note (ii))	31.73	45.10
(u) Provision for doubtful debts	–	0.27
(v) Miscellaneous expenses	169.25	122.94
	<b>10,980.46</b>	<b>9,816.81</b>
<b>Note:</b>		
<b>(i) Auditors' remuneration comprises:</b>		
a. Statutory audit fee	16.10	15.30
b. Tax audit fee	2.50	2.31
c. Reimbursement of expenses	1.24	0.41
d. Goods and Services Tax on above	2.69	0.07
	<b>22.53</b>	<b>18.09</b>

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

	(Rupees in Lakhs)	
	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>(ii) Details of corporate social responsibility expenditure:</b>		
The Company has incurred expense under “Corporate Social Responsibility” as follows;		
1. Amount required to be spent by the company during the year	31.73	45.10
2. Amount spent during the year		
(a) Construction/acquisition of any asset	–	–
(b) On purpose other than (i) above	43.72	45.10
Total	43.72	45.10
3. Excess Amount spent during the financial year	11.99	–
4. Set off available for succeeding financial years	11.99	–
5. Nature of CSR activities		
(a) Contribution to PM National Relief Fund		
(b) Project Atmasamman:		
The project aims to provide the education and employment enhancing vocation skills and livelihood enhancement projects		
(c) Project Swasthya sathe vidhya:		
The Project aims to eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation		

	(Rupees in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>28. Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>Contingent Liabilities</b>		
(1) Claims against the Company not acknowledged as debts: Disputed demands - Income Tax	284.24	240.43

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

29. In respect of the year ended 31<sup>st</sup> March, 2022, the directors in their meeting dated 28th July 2022 have proposed a final dividend of Rs. 294.53 Lakhs (Rs. 8/- per share) to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

## 30. Employee benefit plans: Defined-Contribution Plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The

contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has recognised Rs. 125.65 Lakhs (previous year Rs.122.64 Lakhs) for Provident Fund contribution in the statement of profit and loss.

## Defined benefit plan

The Company offers its employees defined-benefit plan in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plan is based on years of service and the employee's compensation immediately before separation. The gratuity scheme covers all employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the statement of Profit and Loss.

**The following tables set out the status of defined benefit scheme in respect of gratuity:**

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>i. Change in defined benefit obligation</b>		
Present value of obligation at the beginning of the year	334.69	286.38
Interest expense	20.81	17.74
Past service cost	—	—
Current service cost	54.28	55.97
Benefit Paid	(21.34)	(26.72)
Actuarial (gain)/loss	(6.89)	1.32
Present value of obligations at the end of the year	<b>381.55</b>	<b>334.69</b>
<b>ii. Fair value of plan assets as on</b>		
Fair value of plan assets at the beginning of the year	311.75	264.26
Expected return on plan assets	21.09	18.13
Actuarial gains/(losses)	(2.35)	(2.75)
Contribution during the year	50.62	46.87
Benefit Paid	(13.01)	(14.76)
Fair value of plan assets at the end of the year	<b>368.10</b>	<b>311.75</b>
The scheme is funded through LIC.		

# MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

(Rupees in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>iii. Amount recognised in the Balance Sheet</b>		
Present value of defined benefit obligations	381.55	334.69
Fair value of plan assets	368.10	311.75
<b>Net liability/(asset) recognised in the balance sheet</b>	<b>13.45</b>	<b>22.94</b>
<b>iv. Expenses recognised in the Statement of Profit and Loss for the year ended</b>		
Current service costs	54.28	55.97
Interest cost	20.81	17.74
Expected return on plan assets	(21.09)	(18.13)
Net actuarial (gain)/loss recognized during the year	(4.54)	4.07
<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>49.46</b>	<b>59.65</b>
<b>v. Balance Sheet reconciliation</b>		
Present value of obligation at the beginning of the year	334.69	286.38
Fair value of plan assets at the beginning of the year	311.75	264.26
Net liability/(asset) at the beginning of the year	22.94	22.12
Expenses as above	49.46	59.65
Contributions	(50.62)	(46.87)
Benefits paid directly by the Company	(8.33)	(11.96)
<b>Net liability/(asset) at the end of the year</b>	<b>13.45</b>	<b>22.94</b>
<b>vi. Categories of plan assets as a percentage of total assets</b>		
The planned assets of the Company are managed by Life Insurance Corporation of India (LIC) in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan.		
<b>vii. Estimated contribution to gratuity fund during the next financial year is Rs.56.60 Lakhs</b>		

The actuarial calculations used to estimate defined benefit obligations and expenses are based on the following assumptions, which if changed, would affect the defined benefit obligation and expense.

# MAAHI MILK PRODUCER COMPANY LIMITED

## Notes forming part of the financial statements

	As at 31 March 2022	As at 31 March 2021
<b>viii. Principal actuarial assumptions</b>		
Discount rate	6.90% P.A.	6.55% P.A.
Expected salary escalations	10% P.A.	10% P.A.
Expected return on plan assets	6.90% P.A.	6.55% P.A.
Attrition rate	10% P.A.	10% P.A.
Remaining work life	21.24 year	21.96 year
Mortality table used	IALM (2012-14)	IALM (2012-14)
• The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario etc.		
• Discount rate is based on prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligation which is equal to remaining working life.		
• The estimates of future salary increases considered, takes into account the inflation, seniority, promotions, increments and other relevant factors.		

(Rupees in Lakhs)

<b>xi. Experience adjustments as on</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Present value of obligation	381.55	334.69	286.38	206.38	180.77
Fair value of plan assets	368.10	311.75	264.26	205.55	168.06
Funded status	(13.45)	(22.94)	(22.12)	(0.83)	(12.71)
Gain/(loss) on obligations	6.89	(1.32)	(34.08)	7.74	5.97
Gain/(loss) on plan assets	(2.35)	(2.75)	(4.11)	(4.20)	(2.04)

### **x. Actuarial assumptions for valuation of liability for long term compensated absences.**

Actuarial assumptions used for valuation of liability for compensated absences is same as viii above.

## MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

### 31. Impact of Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment, received presidential assent in September 2020. The Code has been published in gazette of India, however, the date on which Code will come into effect is yet to notified. The Company will assess the impact when Code and rules thereon will be notified and will record any related impact in the period the Code and rules thereon becomes effective.

### 32. Leasing arrangements

The Company has taken certain properties, equipment and vehicles under operating lease which can be renewed on mutually agreed terms and conditions. The lease rental expenses of Rs.338.43 Lakhs (previous year Rs. 345.40 Lakhs) in respect of obligation under operating leases have been recognized in the statement of profit and loss. The leases taken by the Company are cancellable in nature.

### 33. Earnings per Equity Share

(Rupees in Lakhs)

Particulars	Unit	Year Ended 31 March, 2022	Year Ended 31 March, 2021
Net profit after tax	Rupees	2,142.29	635.27
Weighted average number of equity shares outstanding during the year	Numbers	33,33,842	33,24,017
Nominal Value of Equity Shares	Rupees	100.00	100.00
Basic Earnings per Share	Rupees	64.26	19.11
Effect of allotment against share application money	Numbers	–	–
Equity shares used to compute diluted earnings per share	Numbers	33,33,842	33,24,017
Diluted Earnings per Share	Rupees	64.26	19.11

### 34. Details of Government grants

Details of grants received from NDDDB and its utilisation is as under:

#### (a) Revenue Grant

(i) Opening Balance	(1.89)	–
(ii) Received during the year	5.14	–
(iii) Less: utilised/adjusted during the year	3.25	1.89
(iv) Balance carried forward	–	(1.89)

**Note:** Capital grant utilised for purchase of capital assets has been reflected as 'Deferred Grant'. Revenue grant utilised has been netted off with respective expense (see note 2k)

## MAAHI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

### 35. The Ratios for the year 31 March 2022 and 31 March 2021 are as follows:

Sr. no.	Ratio	Basis of Computation	31 March, 2022	31 March, 2021	Variance (%)
1	Current ratio (in times)	Current Assets/ Current Liabilities	1.85	1.70	8.82
2	Debt-Equity ratio (in times)	Total Debt <sup>(1)</sup> / Shareholder's Equity	0.57	0.68	(16.18)
3	Debt service coverage ratio (in times) (Refer Note A below)	Earnings available for debt services <sup>(2)</sup> /Debt Service <sup>(3)</sup>	22.76	7.17	217.43
4	Return on equity Ratio (in %)	Net profit after tax/Average shareholder's equity <sup>(4)</sup>	15.53	5.23	10.30
5	Inventory turnover ratio (in times)	Revenue from operations/ Average inventory <sup>(5)</sup>	13.25	11.57	14.52
6	Trade receivable turnover ratio (in times) (Refer Note B below)	Revenue from operations/ Average trade receivables <sup>(6)</sup>	392.26	36.11	986.29
7	Trade payable turnover ratio (in times)	Purchase of raw material and traded goods/Average trade payable <sup>(7)</sup>	17.84	16.18	10.26
8	Net capital turnover ratio (in times)	Revenue from operations/ Average working capital <sup>(9)</sup>	11.37	11.25	1.07
9	Net profit ratio (in %)	Profit after taxes/Revenue from operations	1.40	0.50	0.90
10	Return on capital employed (in %)	EBIT <sup>(10)</sup> /Capital employed <sup>(11)</sup>	12.96	4.96	8.00
11	Return on Investment <sup>(12)</sup>	Dividend Income/Average investment	Not Applicable	Not Applicable	

#### Explanation:

1. Total Debt = Short term Borrowing
2. Earnings available for debt service (EBITDA) = Profit before tax + Depreciation and amortization expense + Finance costs
3. Debt Service = Finance cost
4. Average shareholder's equity = (opening shareholders' funds + closing Shareholders' funds)/2

## MAAHI MILK PRODUCER COMPANY LIMITED

### Notes forming part of the financial statements

5. Average inventory = (opening inventories + closing inventories)/2
6. Average trade receivable = (opening trade receivables + closing trade receivables)/2
7. Average trade payable = (opening trade payables + closing trade payables)/2
8. Working Capital = Current Assets - Current Liabilities
9. Average working capital = (opening working capital + closing working capital)/2
10. Earnings before interest and tax (EBIT) = Profit before tax + Finance costs
11. Capital Employed = Shareholder's equity + Total Debt  $\pm$  Deferred Tax liability/asset
12. No investments made by the Company. Hence, this ratio is not applicable.

#### Notes:

- A. During the current year earnings available for debt service has increased by 134% and debt service i.e. finance cost has decreased by 26% as compared to the previous year. This has resulted in an improvement in the ratio.
- B. During the current year average trade receivables are lower by 89% and revenue from operations is higher by 21% as compared to the previous year. This has resulted in an improvement in the ratio.

### 36. Related party disclosures

#### A. Name of the related parties and nature of relationship

Nature of Relationship	Name of person
Key Management Personnel:	Dr. Sanjaykumar M Govani - Chief Executive Yogeshkumar M Patel - Chief Executive (Till 01 August 2020)

#### B. The nature and amount of transactions during the year with the above related parties are as follows:

(Rupees in Lakhs)		
Nature of transactions	KMP	Total
<b>Managerial remuneration:</b>		
Dr. Sanjaykumar M Govani	44.74 (39.31)	44.74 (39.31)
Yogeshkumar M Patel (Till 01 August 2020)	- (31.49)	- (31.49)

Figures in brackets represent previous year figures

37. The disclosures as required under Accounting Standard AS-17 on Segment reporting are not required as the Company primarily deals in single business segment of Milk and Milk Products and operates in one geographical area.
38. Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

# MAAHI MILK PRODUCER COMPANY LIMITED

## Notes forming part of the financial statements

(Rupees in Lakhs)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	387.47	232.98
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

39. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

### For and on behalf of the Board of Directors

**Mahendrasinh Jadeja**  
Director  
(DIN: 07566111)

**Rambhai Ram**  
Director  
(DIN: 07235592)

**Dr. Sanjaykumar Govani**  
Chief Executive & Director  
(DIN: 08814861)

**Vinay Kumar Inani**  
Sr. Managar - Accounts & Finance

**Sanjay Talati**  
Membership No. A27144  
Company Secretary

Place: Rajkot

Date: 28<sup>th</sup> July 2022

## MAAHI MILK PRODUCER COMPANY LIMITED

### Minutes of the Previous Annual General Meeting

**MINUTES OF THE 10th ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF MAAHI MILK PRODUCER COMPANY LIMITED HELD ON TUESDAY, THE 7<sup>th</sup> DAY OF SEPTEMBER, 2021, AT 10:00 A.M., AT SAYAJI HOTEL, VRUNDAVAN SOCIETY MAIN ROAD, NEAR PRADHYUMAN GRENCITY TOWER, KALAWAD ROAD, RAJKOT - GUJARAT 360005.**

#### **Present:**

##### **Board of Directors**

- 1) Shri Mahendrasinh Jadeja : Chairman & Shareholder
- 2) Shri Rambhai Ram : Director & Shareholder
- 3) Shri Mathurbhai Raiyani : Director & Shareholder
- 4) Shri Lalabhai Algotar : Director & Shareholder
- 5) Shri Vishvasbhai Dodiya : Director & Shareholder
- 6) Shri Mahendrabhai Goletar : Director & Shareholder
- 7) Smt. Shobhanaben Patoriya : Director & Shareholder
- 8) Shri Nagabhai Odedara : Director & Shareholder
- 9) Shri Goganbhai Kandoriya : Director & Shareholder
- 10) Shri Arvindbhai Makvana : Director & Shareholder
- 11) Smt Sushilaben Pandya : Additional Director & Shareholder
- 12) Dr. Sanjaykumar Govani : Chief Executive & Director

##### **Company Secretary**

Shri Sanjay Talati

#### **Chairman:**

Shri Mahendrasinh Jadeja, Chairman of the meeting extended a warm welcome to the members of the company and Board of Directors at the 10<sup>th</sup> AGM of the Company. He informed to the members that due to COVID pandemic situation, company's Expert Directors Shri Sriram Singh, Prof. Madhavi Mehta and Dr. C P Devanand and Statutory Auditors of the Company could not attend the meeting.

#### **Confirmation of Quorum:**

Chairman then asked to the Company Secretary to confirm the attendance of members.

Company Secretary has informed that as per the provisions of Sec. 378Y of the Companies Act, 2013 read with Article 11.6 of the Articles of Association of the Company, presence of one fourth of the total members of the Company i.e. 21,911 (in person and through proxy) shall be the quorum for the Meeting.

As per the attendance Register, the following members were present:

### Members

In Person	: 180 members holding 19,079 Shares
Through Proxy	: 129 Proxies representing 28,537 members holding 15,32,582 Shares.

In total, 28,717 members i.e. 32.77% of the total members in person and by proxies were present.

As the requisite quorum was present, Company Secretary requested the Chairman to grant the permission to commence the proceeding of the meeting.

Then, Chairman has granted permission to commence the proceeding of the meeting.

### Availability of Registers for Inspection:

Company Secretary Shri Sanjay Talati informed the Members that Statutory Registers viz., Register of Members and other Statutory Registers were available to the Members for inspection throughout the meeting.

### Address of Chairman:

Chairman has given a glimpse of the business activities carried by the company during the year and informed that inspite of the COVID-19 pandemic situation, which has hampered the business of the company also, Company has achieved a sales turnover of Rs. 1266.72 Crores. Further, company has booked Profit Before Tax of Rs. 8.49 Crores during the year 2020-21. Due to Covid-19, Government of the Country was forced to impose lockdown which has a far reaching impact on Trade, Business and employment. Even

during the adversity, company has paid average Milk Price of Rs. 44.20/- per litre. He appealed to the members to feed Maahi Daan to their animals in order to improve the health of the animals and to increase the animal's productivity.

Further, he paid homage to members and employees who lost their life during the COVID Pandemic.

Lastly, he thanked to all the Producer Directors, Expert Directors, members, sahayaks, employees, distributors and retailers, bankers, NDDDB, Mother Dairy Fruits and Vegetables Pvt. Ltd., NDDDB Dairy Services and all those directly and indirectly associated with the Company for their contribution.

### Address of Chief Executive:

Thereafter, Dr. Sanjaykumar Govani, the Chief Executive of the Company welcomed and addressed the members. He highlighted about the financial performance of the company. He informed the members that considering the benefits of members and stakeholders at large, management of the company has to take some inevitable decisions like to convert all extra milk into commodities like skimmed milk powder and white butter and continued to accept the milk from members. There was reduction in sale on account of closure of hotels, tea vendors, restaurants and

restrictions on social functions due to COVID Pandemic situation. In order to maintain the sales of milk and to serve the customers, company has introduced innovative ideas such as Milk on Mobile, Mobile Milk Parlours, Whats App orders etc.

In addition to the payment of cash incentive at Rs. 1.10 per litre, company has created a new trend by giving incentive in the form of SS 304 Milk cans of 5, 10 and 15 litre. Further, he has given glimpse of the activities carried out during the Corona time by highlighting the selfless functions of all the employees working as Corona Worrier throughout the year showing remarkable display of courage, dedication and commitment towards the company.

Further, he extended his deep condolences to the family members who have lost their dear ones during this year.

Lastly, he expressed his sincere thanks and gratitude to all the stakeholders viz., Members, Board of Directors, NDDDB, NDDDB Dairy Services, Mother Dairy Fruits and Vegetables Pvt. Ltd, Customers, Retailers, Distributors and all banking partners for their continuous support to the Company.

#### **Notice and Auditors' Report:**

With the unanimous consent of the present members, Company Secretary declared that the Notice convening 10th AGM, alongwith Directors' Report, Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021 have already been circulated to the Members, is taken as read. Further, Company Secretary has informed that the Auditors' Report of the Company

for the year ended 31<sup>st</sup> March, 2021, do not contain any qualification/ adverse remarks, therefore it is also taken as read.

Thereafter, on the advice of the Chairman, Company Secretary, took up the items of Agenda of the meeting as set out in the Notice of 10th AGM of the Company.

#### **1. To receive, consider and adopt the Balance Sheet as on 31<sup>st</sup> March, 2021, Profit and Loss Account and Cash flow Statement for the year ended on that date together with the Reports of the Directors and the Auditors thereon.**

- 1.1 Shri Mahendrasinh Jadeja (Folio no.: 0022882) Chairman of the Company belonging to Class – A proposed the following resolution as an Ordinary Resolution.

#### **Resolution No.: 10th AGM:07.09.2021:1/2021-22**

“RESOLVED THAT, the audited Balance Sheet as at 31<sup>st</sup> March 2021, the Profit and Loss Account and Cash flow Statement for the year ended on that date together with Schedules and notes forming part thereof and the Reports of Directors and Auditors thereon be and are hereby received, approved and adopted.”

Shri Vajabhai Vaghabhai Sarvaiya (Folio no. 0111999) belonging to Class- A seconded the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

#### **2. To declare a Limited Return (dividend) of Rs. 8/- per**

**equity share of Rs.100/- each for the financial year ended on 31<sup>st</sup> March, 2021.**

- 2.1 Shri Rambhai Ram (Folio No: 0006605) belonging to Class – A proposed the following resolution as an Ordinary Resolution.

**Resolution No.: 10th AGM:07.09.2021:2/2021-22**

“RESOLVED THAT, the limited return (dividend) on share capital of the Company at the rate of Rs. 8/- per equity share, out of the current profits of the Company for the year ended 31<sup>st</sup> March 2021, on 35,42,402 equity shares of Rs.100 each fully paid up absorbing Rs. 2,83,39,216/- for the FY 2020-21, be and is hereby approved and confirmed, and that the same be paid to those equity shareholders, whose names appeared on the Register of Members as on 31<sup>st</sup> March 2021.”

Shri Dadubhai Savabhai Dhrangu (Folio no. 0059146) belonging to Class – A seconded the resolution. The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

3. **To appoint a director in place of Smt. Shobhanaben Dineshbhai Patoriya (DIN: 08190006), representing “Class-A” on the Board of Directors, retires by rotation and being eligible offers herself for re-appointment.**

- 3.1 Smt. Jagrutiben Bharatbhai Vegad (Folio No: 0189723) belonging to Class – A proposed the following resolution as an Ordinary Resolution.

**Resolution No.: 10th**

**AGM:07.09.2021:3/2021-22**

“RESOLVED THAT, Smt. Shobhanaben Dineshbhai Patoriya (DIN: 08190006), representing “Class-A” on the Board of Directors, retires by rotation at the 10th Annual General Meeting of the Company in terms of Article 9.6(iii) of Articles of Association of the Company and being eligible offers herself for re-appointment and based on the recommendation of the Nominating committee to the Board, and in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (together with any statutory modification or re-enactment thereof for the time being in force), be and is hereby re-appointed as Director whose period of office shall be liable to retire by rotation.”

Shri. Lavajibhai Mohanbhai Kathiriya (Folio no. 0017236) belonging to Class – A seconded the resolution.

The Chairman informed that only members belonging to “Class -A” would be entitled to vote on the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

4. **To appoint a director in place of Shri Nagabhai Lakhbhai Odedara (DIN: 08190536), representing “Class-B” on the Board of Directors, retires by rotation and being eligible offers**

### himself for re-appointment.

- 4.1 Shri Rajabhai Govindbhai Baraiya (Folio No: 0109468) belonging to Class – B proposed the following resolution as an Ordinary Resolution.

#### **Resolution No.: 10th AGM:07.09.2021:4/2021-22**

“RESOLVED THAT, Shri Nagabhai Lakhabhai Odedara (DIN: 08190536), representing “Class-B” on the Board of Directors, retires by rotation at the 10th Annual General Meeting of the Company in terms of Article 9.6(iii) of Articles of Association of the Company and being eligible offers himself for re-appointment and based on the recommendation of the Nominating committee to the Board, and in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (together with any statutory modification or re-enactment thereof for the time being in force), be and is hereby re-appointed as Director whose period of office shall be liable to retire by rotation.”

Smt. Hinaben Mansinhbhai Chauhan (Folio no. 0186926) belonging to Class – B seconded the resolution.

The Chairman informed that only members belonging to “Class -B” would be entitled to vote on the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

### 5. To appoint the Statutory Auditors and to fix their remuneration.

- 5.1 Smt. Radhikaben Naranbhai Socha (Folio No: 0110419) belonging to Class – C proposed the following resolution as an Ordinary Resolution.

#### **Resolution No.: 10th AGM:07.09.2021:5/2021-22**

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, and rules made thereunder, M/s. S.B. Billimoria & Co., Gurugram, Haryana (Firm Registration No.:101496W), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the 10th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company, at a remuneration of Rs. 16,10,000/- (Rupees Sixteen Lakhs Ten Thousand Only) plus applicable GST tax and reimbursement of travelling and out of pocket expenses incurred by the Auditors for the purpose of conducting the audit for the financial year 2021-22.”

Shri. Sanjaybhai Arjanbhai Bheda (Folio no. 0107374) belonging to Class – C seconded the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

### 6. To Consider and approve the Budget, of the Company for the Financial Year 2021-22

- 6.1 Shri Valjibhai Jatashankar Rajgor (Folio No: 0014426) belonging to

Class – A proposed the following resolution as an Ordinary Resolution.

**Resolution No.: 10th AGM:07.09.2021:6/2021-22**

“RESOLVED THAT, the Budget of the Company for the financial year 2021-22, as placed before the meeting, be and is hereby approved.”

Shri Ashishbhai Devayatbhai Ram (Folio no. 0142898) belonging to Class – A seconded the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

**7. Appointment of Shri Vijaybhai Arabhambhai Odedara as a Director.**

7.1 Shri Bhaveshbhai Surabhai Tota (Folio No: 0175439) belonging to Class – B proposed the following resolution as an Ordinary Resolution.

**Resolution No.: 10th AGM:07.09.2021:7/2021-22**

“RESOLVED THAT, pursuant to the provisions of the Articles of Association of the Company and provisions of Section 378P and any other applicable provisions of the Companies Act, 2013, Shri Mahendrabhai Goletar (DIN: 07888303), the Director of the company falling down to Class – C from Class- B and as he could not maintained the same class for two preceding financial years, not eligible for re-appointment shall retire at the 10th Annual General Meeting and in his place, Shri Vijaybhai Arabhambhai Odedara (DIN: 09254982) - representing

Class-B of the members of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.”

Shri Ladhambhai Rambhai Gadhvi (Folio no. 0102224) belonging to Class – B seconded the resolution.

The Chairman informed that only members belonging to “Class -B” would be entitled to vote on the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

**8. Appointment of Smt. Sushilaben Pandya as a Director.**

8.1 Shri Sanjaybhai Laghrabhai Solanki (Folio No: 0141794) belonging to Class – C proposed the following resolution as an Ordinary Resolution.

**Resolution No.: 10th AGM:07.09.2021:8/2021-22**

“RESOLVED THAT, pursuant to the provisions of the Articles of Association of the Company and provisions of section 152, 161, 378P and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Sushilaben Pandya (DIN: 09116789) representing Class-C of the members of the Company, who was appointed as an additional director of the company w.e.f. 01st April, 2021 be and is hereby appointed as a Director of the Company, whose period of office

shall be liable to retire by rotation.” Smt. Gitaben Ganeshbhai Olakiya (Folio no. 0195373) belonging to Class – C seconded the resolution. The Chairman informed that only members belonging to “Class -C” would be entitled to vote on the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

## 9. Alteration of Articles of Association

- 9.1 Chairman of the Company Shri Mahendrasinh Jadeja has briefed about the object and need for Alteration of the Articles of Association. He informed that vide the Companies (Amendment), Act, 2020, the provisions relating to the Producer Companies have been incorporated through Chapter XXI-A in Companies Act, 2013 which has come into effect from 11th February, 2021. Due to this, need arises to alter/insert some of the articles of the Articles of Association of the Company.

He then proposed the following resolution as a Special Resolution.

### **Resolution no.: 10th AGM:07.09.2021:9/2021-22**

“RESOLVED THAT pursuant to Sec. 378-I and other applicable provisions of Companies Act, 2013 including the provisions of Chapter XXI-A of the Act and rules made thereunder Articles of the Company be and are hereby altered in the manner and to the extent as follows:

**Existing Article 1.2, 1.3(i), 1.3(ii),**

**2.1(i), 2.1(vii), 2.1(ix), 2.1(xiii), 9.17, 9.18(ii)(k), 19.1 be replaced in the manner and to the extent as follows and new Article 2.1(viia) be inserted after Article 2.1(viii) and Article 11.12(iii) be omitted and new Article 11.13 be inserted after Article 11.12.**

**Article 1.2:-** Regulations contained in Table F, except regulations 45 to 47 in the Schedule I to the Act, shall not apply to the Company.

**Article 1.3 (i):-** The Company is a producer company within the meaning of Section 378A (l) of the Companies Act, 2013.

**Article 1.3 (ii):-** The Company is deemed to be a Private Company within the meaning of Section 378C (5) of the Companies Act, 2013 and accordingly;

- a. Restrict the right to transfer its shares in the manner and to the extent hereinafter provided; and
- b. Prohibits any invitation to the public to subscribe for any shares in, or debentures of, the Company.

**Article 2.1.i:-** ‘Act’ means the Companies Act, 2013 (no. 18 of 2013) or any statutory modification or re-enactment thereof for the time being in force.

**Article 2.1.vii:-** ‘Company’ means the Maahi Milk Producer Company Limited.

**Article 2.1.viia:-** ‘Expert Director’ means a director referred to in Section 378P of the Act.

**Article 2.1.ix:-** ‘Financial year’ means the period ending on the 31<sup>st</sup> day of March every year in respect

whereof financial statement of the company is made up.

**Article 2.1.xiii:-** ‘Mutual Assistance Principles’ means the principles set out in Chapter XXIA of the Act, and as provided in article 3

**Article 9.17:-** The Directors may be entitled to such fees and allowances including travelling and hotel expenses for attendance at the meetings of the Board and its Committees, if any constituted by the Board in terms of provisions of section 378U of the Act, as may be decided by the Board.

**Article 9.18 ii k:-** To constitute a Nominating Committee in terms of the provisions of section 378U of the Act, to scrutinize applications received from eligible Members for positions on the Board based on the defined criteria as approved in the General meeting and as provided in these Articles, and accordingly recommend eligible members to the Board for its consideration. In turn the Board, after due consideration in the Board meeting, shall recommend Members for the position on the

Board to be elected or appointed by the Members in the Annual General Meeting.

**Article 11.13:-** All items of business to be transacted at the General Meeting shall be deemed as Ordinary and the provisions of Section 102 of the Act shall not apply.

**Article 19.1:-** The Board shall provide for the safe custody of the Seal and subject to the provisions contained in the Companies (Share Capital and Debenture) Rules, 2014, the Seal shall not be affixed to any instrument except by the authority previously given by the Board or a Committee of the Board authorized by the Board in that behalf; the Board may designate such person(s) who shall sign in any matter prescribed under law, every instrument to which the Seal is affixed in his or their presence.

Shri. Jograna Gopalbhai (Folio no. 0064658) belonging to Class – A seconded the resolution.

The Chairman put the motion to vote and on a show of hands declared the same as approved unanimously.

### Vote of Thanks:

There being no other business, the meeting was concluded with a vote of thanks.

Time of Commencement of Meeting : 10.00 a.m.

Time of Conclusion of Meeting : 10.50 a.m.

Minutes of Meeting entered on : 27th September 2021

**Date:** 4<sup>th</sup> October, 2021

**Place:** Kadiyan nana (Kutchh)

**Chairman**

# MAAHI MILK PRODUCER COMPANY LIMITED

## BUDGET FOR FINANCIAL YEAR 2022-23

### (A) Financial Budget

Particulars	Rupees in Lakhs
<b>(a) Income:</b>	
Total Income	177,452.76
<b>(b) Expenses:</b>	
Variable Expenses	169,714.95
Advertisement and Sales Promotion Exp.	1,370.82
Fixed Expenses	5570.59
<b>Total Expense</b>	<b>176,656.36</b>
(c) Profit Before Tax (a-b)	796.40
(d) Corporate Tax	200.45
<b>(e) Profit After Tax (c-d)</b>	<b>595.95</b>

### (B) Capital Budget

No.	Particulars	(Rupees in Lakhs)
(a)	Field Assets	4,030.35
(b)	Office Assets	180.76
(c)	<b>Total (a+b)</b>	<b>4,211.11</b>

## Maahi Milk Producer Company Limited

(Registered under Part IX-A of the Companies Act, 1956 as “Producer Company”)

(CIN: U01403GJ2012PTC070646)

REGISTERED OFFICE: 3rd & 4th Floor, Sakar Building, Opp. Rajkumar College

Dr. Radhakrishnan Road, Rajkot-360 001, Gujarat.

Tel.: 0281 2460732, Fax: 0281 2460734

email: info@maahimilk.com      website : www.maahimilk.com

### :: NOTICE ::

Notice is hereby given that the Eleventh Annual General Meeting of the Members of MAAHI MILK PRODUCER COMPANY LIMITED., will be held on Friday, 2<sup>nd</sup> September, 2022 at 11.00 a.m., at Sayaji Hotel, Vrundavan Society Main Road, Near Pradhyuman Greencity Tower, Kalawad Road, Rajkot – 360005 to transact the following business:

#### **ORDINARY BUSINESS:**

##### **Item no. 1– Adoption of financial statements**

To receive, consider and adopt the Financial Statement for the Financial year ended on 31<sup>st</sup> March, 2022 together with the Reports of the Directors and the Auditors thereon.

##### **Item no. 2 – Declaration of Dividend**

To declare a Limited Return (dividend) of Rs.8/- per equity share of Rs.100/- each for the financial year ended on 31<sup>st</sup> March, 2022.

##### **Item no. 3 – Appointment of Shri Goganbhai Arashibhai Kandoriya as a Director**

To consider and if thought fit, to pass with or without modification(s),

the following resolution as an Ordinary Resolution:

“RESOLVED THAT, Shri Goganbhai Arashibhai Kandoriya (DIN: 08517743), representing “Class-B” on the Board of Directors, retires by rotation at the 11th Annual General Meeting of the Company in terms of Article 9.6(iii) of Articles of Association of the Company and being eligible offers himself for re-appointment and based on the recommendation of the Nominating committee and that of the Board, and in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (together with any statutory modification or re-enactment thereof for the time being in force), be and is hereby re-appointed as Director whose period of office shall be liable to retire by rotation.”

##### **Item no. 4 – Appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors**

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 139 and 142 of the Companies Act, 2013, and rules made thereunder, Price Waterhouse Chartered Accountants LLP, (FRN 012754N/N500016), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the 11th Annual General Meeting till the conclusion of the 12th Annual General Meeting of the Company, at a remuneration of Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) plus applicable GST tax and reimbursement of travelling and out of pocket expenses incurred by the Auditors for the purpose of conducting the audit for the financial year 2022-23.”

**Item no. 5 – To Consider and approve the Budget of the Company for the FY 2022-23**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, the Budget of the Company for the financial year 2022-23, as placed before the meeting, be and is hereby approved.”

**Special Business:**

**Item no. 6. - Appointment of Shri Sharadkumar Mohanlal Mota as a Director**

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 Section 378P of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company Shri Rambhai Ukabhai Ram (DIN: 07235592), representing class – B, who shall complete his second term of appointment and, not eligible for re-appointment as per the provisions of Article 9.6.iii, shall retire at the 11th Annual General meeting of the Company, and to ensure the Class representation of members on the Board based on the Patronage criteria (vide Article 9.5 read with 9.6 i) and based on the recommendation of the Nominating committee and that of the Board, in his place election/appointment of Shri Sharadkumar Mohanlal Mota (DIN: 0009680368) representing class-A members, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.”

**Item no. 7 - Appointment of Shri Rambhai Bavkubhai Budhas as a Director**

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 378P of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company Shri Lalabhai Vamabhai Algotar (DIN: 07566162), representing class – B, who shall complete his second term of appointment and, not eligible for re-appointment as per the provisions of Article 9.6.iii, shall retire at the 11th Annual General meeting of the Company, and to ensure the Class representation of members on the Board based on the Patronage criteria (vide Article 9.5 read with 9.6 i) and based on the recommendation of the Nominating committee and that of the Board, in his place Shri Rambhai Bavkubhai Budhas (DIN: 0009680410) representing class-A members, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.”

#### **Item no. 8 - Appointment of Smt. Nilamben Makabhai Golitar as a Director**

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 Section 378P of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company and to ensure the Class representation of members on the Board based on the Patronage criteria (vide Article 9.5 read with 9.6 i), and based on the recommendation of the Nominating committee and that of the Board, Smt. Nilamben Makabhai Golitar (DIN: 0009676104) representing “Class-C” members, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.

#### **Item no. 9 - Alteration in Objects Clause of Memorandum of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT, pursuant to the provisions of section 378H of Chapter XXI-A of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 (together with any statutory modification or re-enactment thereof for the time being in force), the applicable provisions of the Memorandum and Articles of Association of the Company, the existing Clause IIIA

of Memorandum of Association of the Company be and is hereby altered by adding following new object as point 5 and renumbering the existing point 5 as new point 6.

5. To carry on the business of purchasing, producing, processing, selling, trading, import, export etc. of primary produce and its derivatives including but not limited to edible oil, fruits and vegetables primarily of the members and also of others, marketing of the same and to deal in activities that are part of or incidental to any activity related thereto.

FURTHER RESOLVED THAT in point 15 of Clause III B of Memorandum of Association of the Company the reference of section '581ZH' and in Clause 18 reference of section '581ZL of Companies Act, 1956 be and is hereby omitted and replaced with section '378ZH' and section '378ZL respectively of the Companies Act, 2013."

#### **Item no. 10 - Alteration in Articles of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Sec. 378-I and other applicable provisions of Companies Act, 2013 including the provisions of Chapter XXI-A of the Act and rules made thereunder, Articles

of the Company be and is hereby altered in the manner and to the extent as follows:

Existing Article 4.3 (ii) be replaced with the following Article as under:

4.3 (ii) Any member who is not eligible to continue as a Member shall be served a written notice by the Company for removal as Member and given an opportunity of being heard. However, for the purpose of sending notices to the members, the Board may exempt one or more eligibility criterion for all the members during a particular year. The Member would need to reply to the notice within the stipulated period as specified in the notice. Such notice shall be send by/through:

- Registered Post to the Member at his last known address and be deemed to be served five days after posting; or
- Electronic mode to the Member at his email ID registered with the Company and be deemed to be served on the day of sending email to Member.

Thereafter, the Board shall take a decision in the matter.

Existing Article 9.13 be replaced with the following Article as under:

**9.13 (i)** The quorum for a meeting of the Board shall be one-third of the total strength of directors, subject to a minimum of three including the presence of at least one elected Director and one Expert Director. Notwithstanding the above, the quorum for the meeting of the Board of Directors shall not require the presence of the Expert Director in case there is no Expert Director on the Board of the Company.

(ii) In case meeting of the Board could not be held for want of quorum, the meeting shall stand adjourned for the date, time and place as decided by the Chairman of the Company. However, the adjourned meeting shall be convened by the Chairman within seven days from the date of original meeting.

**Item no. 11 - To Consider and approve the partial modification of Ordinary Resolution No. 3rd AGM:26.08.14:11/2014-15 adopted at the 3rd Annual General Meeting of the Company**

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 relevant provisions of Chapter XXI-A of the Companies Act, 2013 and the applicable provisions of the Memorandum and Articles of Association of the Company, the Ordinary Resolution no. 3rd AGM:26.08.14:11/2014-15 adopted at the 3rd Annual General Meeting of the Company be modified by insertion LDP (Leadership Development Programme) (5 Marks) along with other Training Programmes attended viz., Producer/women awareness (5 Marks); orientation programme for VCG (5 Marks)/ MRG (5 Marks)/ For Board of Directors’ Training Programme of MAAHI (MMPCL) attended (15 Marks) in Parameter for applicant’s Eligibility Score Statement and the revised table of parameter for applicant’s eligibility score is as under:

Parameter for applicant’s eligibility score	Maximum Score
Number of days of Milk supplied to the Company during previous two financial years Scoring will be as follows: (95% or more days -25; 85% to <95% days - 20; 75% to <85%-15; 65% to <75% - 10; 55% to <65% - 5; <55% - 0)	25
Share capital subscription is not falling short by more than 10% of the actual requirement as on 31 <sup>st</sup> March of the previous financial year.	10

Supplying the entire surplus to the Company during the period (i.e. has not supplied milk to any other players/ competitors/ operators)-based on self-declaration and subsequent verification by the Company.	10
Continuously maintained the member qualification (@ 3 marks for each year for the last 5 years).	15
Educational qualification of the applicant (over and above the minimum required qualification – for graduates -10 and for Post graduates – 15) Minimum qualification shall be as per the Articles of Association.	15
Other Training programmes attended – Producer / women awareness (5 marks); orientation programme for VCG (5 marks) / MRG (5 marks) /LDP(Leadership Development Programme) (5 marks) For Board of Directors’ Training Programme of MAAHI (MMPCL) attended (15 marks).	15
Received any award or recognition as member of the Company (like best IB Award for member / VCG / MRG etc) / Applicant has served as Director on the Board of Directors of MAAHI (MMPCL) (5 marks).	5
Having received recognition for voluntary service (subject to documentary proof)	5
<b>TOTAL</b>	<b>100</b>

FURTHER RESOLVED THAT all the terms and conditions contained in the Ordinary Resolution no. 3rd AGM:26.08.14:11/2014-15 will remain unchanged.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board

of Directors of the Company be and is hereby authorized to take all such steps/actions and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and expedient and to settle any question, difficulty or doubt that may arise in this regard.”

By order of the Board of Directors

Sd/-

Date: 28<sup>th</sup> July, 2022

Place: Rajkot

Sanjay Talati  
(Company Secretary)

## NOTES

1. A member entitled to attend and vote at the annual general meeting (agm) is entitled to appoint a proxy to attend and vote on a show of hands as well as on a poll in his/her behalf and a **PROXY MUST BE A MEMBER of the company. NON-MEMBER CAN NOT BE APPOINTED AS A PROXY.** The instrument appointing proxy in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the company at least **48 hours** before the scheduled time of the meeting. A blank proxy form is enclosed herewith. A member appointed as proxy shall act on behalf of such member or members not exceeding 300 members and holding in aggregate not more than 10% of share capital of the company.
2. Every member will have only one vote (on show of hands as well as on poll) irrespective of his/her shareholding or patronage in the Company **subject to the condition that a member has fulfilled a basic condition** for voting i.e., he/she has poured milk for at least 200 days totalling to at least 500 litres in a previous financial year (2021-22).
3. The members of the company has at their First Annual General Meeting approved and adopted the criteria for categorizing members into different classes (**Class A, B and C**) based on the members' participation in business (i.e., patronage criteria) which has been modified/alterd at the 7th Annual General Meeting.
4. **Class Categorization of members and their entitlement to voting rights:**  
 At the close of financial year (2021-22) on 31<sup>st</sup> March, 2022, there were total 1,01,641 members on the roll (Register of Members) of the Company, whose class categorization, based on their patronage during F.Y. 2021-22, and the voting right status are given as under:-
  - a) Based on the analysis of data w.r.t., fulfillment and non-fulfillment of patronage criteria by the members during F.Y. 2021-22, there were 3,535 members in Class-A, 9,769 members in Class-B and 30,056 members in Class-C (aggregating to 43,360 members), who apart from fulfilling the basic condition for voting also fulfilled all the criteria of patronage of their respective class, and therefore, they are entitled to vote on all the resolutions set at Item nos. 1 to 11 of the notice including voting on election of Director of a particular class to which they belong.

[Note: A member of one class (Class A, Class B, or Class C) can vote on appointment of director belonging to his/her own class only and cannot vote on appointment of director of other Class (vide Article 9.5 of the Articles of Association).]

- b) There were 9,746 members, who have fulfilled basic condition for voting (i.e., pouring of milk for at least 200 days totalling to at least 500 litres in a previous financial year) but have not fulfilled one or more of the patronage criteria of their respective class during F.Y. 2021-22. Hence, they do not qualify to be in any of the three classes for the purpose of categorizing members into different classes, and consequently, they are not entitled to vote on class based election of Directors (at Item nos. 3, 6, 7 & 8), however, they can vote on other resolutions at Item nos. 1, 2, 4, 5, 9, 10 & 11 of the notice.
- c) A member who has not fulfilled the basic criteria of pouring milk for at least 200 days totaling to at least 500 liters in a previous FY 2021-22, will not have voting right at the AGM. Thus, 48,535 members who did not pour milk for at least 200 days totalling to at least 500 litres in a previous financial year (2021-22), and hence, they lost their voting right and are not entitled vote on any resolution to be moved at this Annual General Meeting.
- d) A milk producer, who was a member as on 31<sup>st</sup> March, 2022, but whose membership has been cancelled post 31<sup>st</sup> March, 2022, will be entitled to dividend for F.Y. 2021-22, but shall not be entitled to any share / membership related rights, as he/she has ceased to be a member of the Company. Accordingly, out of the total 1,01,641 members, on the register of members, as on 31<sup>st</sup> March, 2022 membership of 3567 members have been cancelled post 31<sup>st</sup> March, 2022, hence, such 3567 members will not be entitled to attend and vote at AGM, although they will be entitled to get dividend (Limited Return) for FY 2021-22, if declared at the AGM.
- e) A new member, who was admitted as member of the Company post 31<sup>st</sup> March, 2022, can attend the AGM, but is not entitled to dividend for F.Y. 2021-22 nor have voting right at ensuing AGM. Accordingly, after the close of the of Financial Year on 31<sup>st</sup> March, 2022 and till the date of this notice 1632 new members were admitted, who will not be entitled to get dividend (if declared) for FY 2021-22 nor have a voting right

at ensuing AGM. However, they can attend the AGM.

- f) MPP (Milk Pooling Point) wise list of aforesaid members are available at respective MPPs and will be available at AGM Venue.
  - g) The Company will employ such method and arrangement to distinguish members of different classes for facilitating voting as is convenient, which shall be appraised to the members at the meeting.
5. The names of candidates for election to the office of Director including a statement of qualifications in respect of each candidate; the audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022 together with Reports of the Board of Directors and Auditors thereon and the Minutes of the previous AGM held on 7th September, 2021 are annexed herewith. Budget for F.Y. 2022-23 is also enclosed.
  6. Members are requested to bring their copy of the Annual Report and Attendance Slip at the meeting as the Company would not provide any copy at the venue of the AGM.
  7. Members desirous of obtaining any information concerning the accounts or operations of the Company are requested to address their communications to the Registered Office of the Company, well in advance at least seven days before the date of the meeting, so that the required information can be made available at the meeting, to the extent possible.
  8. Members are requested to quote the folio numbers and their Member code in all their correspondence.
  9. The Explanatory Statement setting out all material facts in respect of Item nos. 6 to 11 of the accompanying notice is attached herewith.
  10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, during normal business hours (11:00 hrs to 16:00 hrs).
  11. The limited return (dividend), as recommended by the Board, if declared at the meeting, will be paid to those shareholders, whose names appear in the Register of Members of the Company as on the 31<sup>st</sup> March, 2022.  
Statutorily, any dividend which has not been paid or claimed within 30 (thirty) days from the date of declaration shall be transferred within

- seven days from the date of expiry of said thirty days to an unclaimed dividend account with a scheduled bank. Any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to an Investor Education and Protection Fund.
12. Members are requested to notify immediately any change in their addresses with PIN Code to the Company.
13. Members, who have not submitted their nomination form may send their Nomination in the prescribed form duly filled in to the Company at its registered office. Nomination Form can be obtained from the Registered Office of the Company.
14. Weapons, fire arms, ammunitions, knives and blades, sharp instruments etc., are prohibited at the AGM venue.

### **STATEMENT OF QUALIFICATION IN RESPECT OF THE CANDIDATES TO BE ELECTED AS DIRECTOR UNDER SECTION 378ZA (4)(C) OF THE COMPANIES ACT 2013.**

- Item no 3, 6, 7 and 8 respectively,
1. Shri Goganbhai Arashibhai Kandoriya (DIN: 08517743) (representing Class-B Member) has done S.Y.B.Com. and he is engaged in Agriculture and Dairy Farming.
  2. Shri Sharadkumar Mohanlal Mota (DIN: 0009680368) (representing Class- A Member) has done B.A. and he is engaged in Agriculture and Dairy Farming.
  3. Shri Rambhai Bavkubhai Budhas (DIN: 0009680410) (representing Class- A Member) has done B.A. and he is engaged in Agriculture and Dairy Farming.
  4. Smt. Nilamben Makabhai Golitar (DIN: 0009676104) (representing Class-C Member) has done M.A. B.Ed and she is engaged in Teaching and Dairy Farming.

## Explanatory Statement:

(for item no.6 to 11 of the accompanying notice dtd. 28 July, 2022)

### Item no. 6

Shri Rambhai Ukabhai Ram (DIN: 07235592), representing class – B, who shall complete his second term of appointment and not eligible for re-appointment as per the provisions of Article 9.6.iii, shall retire at the 11th Annual General meeting of the Company. Based on the recommendation of Nominating Committee, Board recommends election/appointment of Shri Sharadkumar Mohanlal Mota (DIN: 0009680368)- representing Class-A of the members of the Company.

Shri Sharadkumar Mohanlal Mota (DIN: 0009680368) representing Class – A, whose statement of qualification pursuant to Sec. 378ZA(4)(C) of the Companies Act, 2013, is appended to the accompanying notice, being eligible proposes his candidature for the office of Director, whose period of office, if appointed, shall be liable to retire by rotation.

None of the Directors/officers of the Company or their relatives is, in any way interested or concerned in the resolution.

The Board of Directors based on the recommendation of Nominating Committee, recommends the Ordinary resolution as set out in Item no. 6 of the accompanying notice for the approval of members.

### Item no. 7

Shri Lalabhai Vamabhai Algotar (DIN: 07566162), representing Class – B, who shall complete his second term of appointment and, not eligible for re-appointment as per the provisions of Article 9.6.iii, shall retire at the 11th Annual General meeting of the Company. Based on the recommendation of Nominating Committee, Board recommends election/appointment of Shri Rambhai Bavkubhai Budhas- representing Class-A of the members of the Company.

Shri Rambhai Bavkubhai Budhas (DIN: 0009680410) representing Class – A, whose statement of qualification pursuant to Sec. 378ZA(4)(C) of the Companies Act, 2013, is appended to the accompanying notice, being eligible proposes her candidature for the office of Director, whose period of office, if appointed, shall be liable to retire by rotation.

None of the Directors/officers of the Company or their relatives is, in any way interested or concerned in the resolution.

The Board of Directors based on the recommendation of Nominating Committee, recommends the Ordinary resolution as set out in Item no. 7 of the accompanying notice for the approval of members.

**Item no. 8**

Pursuant to the provisions of Article 9.5 of the Articles of Association of the Company - the number of positions on the Board representing each class of members, to the extent possible, shall be based on the patronage of respective class. As there is a vacant position on the Board for Class- C member and in order to have proper representation of each class members on the Board of the Company, it has been proposed to fill the aforesaid vacant position on the Board.

Smt. Nilamben Makabhai Golitar representing Class – C, whose statement of qualification pursuant to Sec. 378ZA(4)(C) of the Companies Act, 2013, is appended to the accompanying notice, being eligible proposes her candidature for the office of Director, whose period of office, if appointed, shall be liable to retire by rotation.

None of the Directors/officers of the Company or their relatives is, in any way interested or concerned in the resolution.

The Board of Directors based on the recommendation of Nominating Committee, recommends an Ordinary resolution as set out in Item no. 8 of the accompanying notice for the approval of members.

**Item no. 9**

Considering the objects of the

Company to promote the principles of mutuality and techniques of mutual assistance amongst the Members and further, to be true to the Mission, the Company would like to undertake activities for the members of the Company and others in our area of operations by providing certain daily need items like edible oils, fruits, vegetables, primary produces at a competitive price by sourcing the same in bulk or on retail basis. In order to pursue such activities in the future, it is being proposed to add new objective under its main objects clause.

Further, the reference of section of part IX-A of the Companies Act, 1956 is proposed to be omitted and replaced with the respective section of Chapter XXIA of the Companies Act, 2013.

In terms of the applicable statutory provisions of the Companies Act (including any statutory modification or re-enactment thereof for the time being in force), the Company will require approval of members for inserting a new clause in main object as aforesaid, and for the alteration of Object Clause of the Memorandum of Association of the Company.

None of the Directors/officers of the Company or their relatives is, in any way interested or concerned in the resolution.

The Board of Directors recommends the Special resolution as set out in Item no. 9 of the accompanying notice for the approval of members.

## Item no. 10

### Alteration of Article 4.3 (ii)

Article 4.3 deals with the conditions for continuation and cancellation of membership. Accordingly, a member who has not fulfilled the criteria for continuation as a member will be served a written notice by the company for removal of his membership and given an opportunity of being heard. A member has to reply to the notice within the stipulated period as specified in the notice. In order to clarify the mode through which notice may be sent to the members as also to give the Board an option to decide to exempt one or more eligibility criteria for all members for particular year while serving notice it is proposed to make an alteration in Article 4.3 (ii) of Articles of Association.

### Alteration of Article 9.13

Article 9.13 of the Articles of Association of the Company deals with the quorum for Board Meeting. Accordingly, Quorum for Board Meeting shall be one-third of the total strength of directors, subject to a minimum of three including the presence of at least one elected Director and one Expert Director.

However, in case there is no Expert Director on the Board of the Company, the quorum shall not require the presence of the Expert Director.

It does not speak about adjournment

of meeting for want of quorum. Sec. 174(4) of the Companies Act, 2013 deals with the Quorum for a meeting of Board. It provides that where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

Thus, in order that an adjourned Board Meeting is held within a week from the day of the original meeting, it is proposed to amend the existing Article 9.13.

None of the Directors/officers of the Company or their relatives is, in any way interested or concerned in the resolution.

The Board of Directors recommends the Special resolution as set out in Item no. 10 of the accompanying notice for the approval of members.

## Item no. 11

For the selection of a candidates for the position of directors, members have at their 3rd AGM held on 26th August, 2014 adopted a procedure of constitution of a Nominating Committee consisting of a producer director on the Board from the membership class for which the vacancy has arisen not being a retiring

director at the AGM, One Expert from any Management Institute of National repute, having done considerable work for development of producer owned enterprises and one Expert Director who is on the Board of the Company.

At the aforesaid AGM, members have adopted a table containing Parameters for applicant's eligibility score. This table provides for the marks that a candidate is entitled on the basis of different parameters like number of days' milk poured, educational qualification, training programme attended, awards or recognition as a member of the company etc. Inadvertently, the parameter regarding the Training Programme does not contain the programme LDP (Leadership Development Programme). Leadership Development Programme

is a good training for members with an objective to develop skill of self evaluation, creating awareness about teamwork, inculcating the Leadership skill, creating awareness among the members about the value, vision and mission of the company etc. In order that the members who apply for the position of a director and have attended the LDP, get the marks for it, it is proposed to amend the captioned Ordinary resolution.

None of the Directors/officers of the Company or their relatives is, in any way interested or concerned in the resolution.

The Board of Directors recommends the amendment in Ordinary Resolution as set out in Item no. 11 of the accompanying notice for the approval of members.

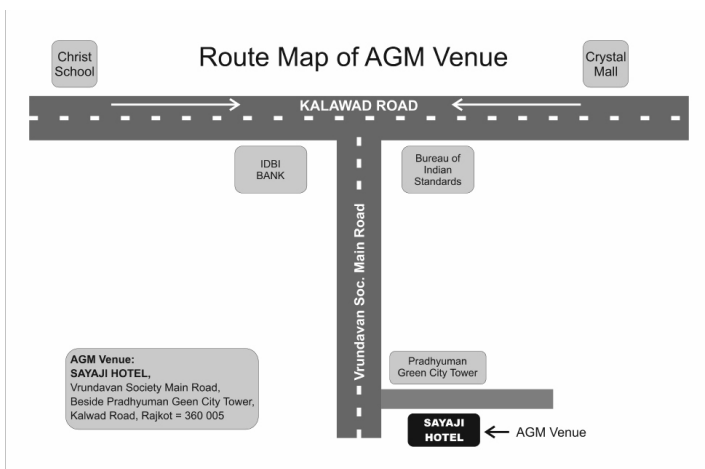
By order of the Board of Directors

Date: 28 July, 2022

Place: Rajkot

Sanjay Talati

(Company Secretary)





**Launching of Maahi AMCS (Automatic Milk Collection System) by Dr. Sanjaykumar Govani, Chief Executive and Shri Y M Patel, Advisor of the Company.**



**Inauguration of 5 KL BMC at Kodiya MPP by Dr. Sanjaykumar Govani, Chief Executive of the Company.**



**Bio-gas plant set up at home of Milk Producer Member.**



**Dr. Sanjaykumar Govani, Chief Executive of the Company flagging off "Milk on Mobile" facility in Rajkot city.**



**Distributors present at the celebration of an event of the successful completion of nine years of the Company's operations.**



**Tree plantation by employees of the Company at AFNU.**



**Dr. Sanjaykumar Govani, Chief Executive of the company accepting (Manufacturing Category Award) the "Jannalal Bajaj Fair Business Practices Award" conferred by the CFBP.**



**Chairman of the Company Shri Mahendrasinh Jadeja & Chief Executive Dr. Sanjaykumar Govani accepting NCDFI E- Market Award from Hon'ble Union Home Minister Shri Amit Shah.**



# नए इंडिया का नया डेजर्ट

from **Bengal** to **Gujarat**



## Maahi Milk Producer Company Limited

Redg. Office : 3rd & 4th Floor, Sakar Building, Opp. Rajkumar College,  
Dr. Radhakrishnan Road, Rajkot - 360001, Gujarat (INDIA).

Customer Care : 1800 274 0732 | [www.maahimilk.com](http://www.maahimilk.com) | Follow us :    

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