

9th ANNUAL REPORT 2022-23



SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

(CIN:U01403AP2014PTC094771)

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Hon'ble Prime Minister

Shri Parshottam Rupala

Union Minister for Fisheries, Animal Husbandry and Dairying

Shri Meenesh Shah, Chairman, NDDB

Shri Jayatheerthachary, Chief Executive, Shreeja MMPCL



SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

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NINTH ANNUAL REPORT 2022-23

BOARD OF DIRECTORS

Smt. Sreedevi Kuntapalli	Chairman
Smt. Usha Avula	Director
Smt. Thayaramma Madhasi	Director
Smt. Vijaya Lakshmi Pulikinti	Director
Smt. Saraswathi Sunkara	Director
Smt. Pushpalatha Kaligiri	Director
Smt. Kanemma Pakala	Director
Smt. Chandrakala Tamatapalli	Director
Smt. Girija Gonappa	Director
Smt. Hemalatha Marupudi	Director
Smt. Reddamma Patakula Senappa	Additional Director
Dr. Annapurna Neti	Expert Director
Dr. C P Devanad	Expert Director
Shri Sunil Kumar Sharma	Expert Director (appointed on 27th May 2023)
Shri Jayatheertha Chary	Director & Chief Executive

COMPANY SECRETARY

Shri Amarendra Babu Nagasuri

HEAD - FINANCE & ACCOUNTS

Shri Rajesh Napa

AUDITORS

M/s S.B. Billimoria & Co., LLP
Chartered Accountants

REGISTERED OFFICE

3rd & 4th Floors, Bachala Towers
Plot No. 29 & 30
S.G.S Arts college Road
New Indira Nagar
Tirupati, Andra Pradesh
Pin- 517501
Tel: 0877 2242173
www.shreejamilk.com

BANKERS

ICICI Bank
Sapthagiri Grameena Bank
State Bank of India

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SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present before you their Ninth Annual Report on the operations of the Company along with the Audited Accounts for the year ended 31st March, 2023.

The Company was incorporated on 03rd July, 2014 as a Producer Company under the provisions of the Companies Act in the State of Andhra Pradesh to undertake the business of pooling, purchasing, processing of milk of the Members, and marketing of the same and to deal in activities that are part of or incidental to any activity related thereto.

1. Financial Results

The summarized Financial Results are as under:

(Rs. in Lakh)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Total Revenue	93,626.32	70,685.81
Total Expenses	92,998.65	69,949.99
Profit/(Loss) for the period before tax	627.67	735.82
Tax expenses	225.70	154.09
Profit/(Loss) for the period after tax	401.97	581.73

During the year under review, the total revenue generated was Rs. 93,626.32 Lakh against Rs. 70,685.81 Lakh in the previous year. The total revenue includes revenue from operations Rs. 93,297.41 Lakh and other income earned Rs. 328.91 Lakh. The total expenses incurred were Rs. 92,998.65 Lakh against Rs. 69,949.99 Lakh of previous year. Total expenses include material expenses of Rs. 85,663.27 Lakh, financial expenses of Rs. 133.55 Lakh and depreciation and amortization expenses of Rs. 504.67 Lakh. This has resulted a profit before tax (PBT) of Rs. 627.67 Lakh and net profit after tax (PAT) of Rs. 401.97 Lakh as against Rs. 735.72 Lakh and Rs. 581.73 in the previous year respectively.

2. Limited Return (Dividend)

The Board of Directors are pleased to recommend limited return (dividend) at the rate of Rs. 6/- (Rupees Six only) per equity share absorbing Rs. 1,78,38,810 /-. The limited return (dividend) will be paid to those members, whose names appear in the Register of Members of the Company as on 31st March 2023.

3. Transfer to General Reserve

Pursuant to provisions of the Companies Act, 2013 and Articles of Association of the Company, the Board proposes to transfer an amount of Rs. 2,23,59,342/- to the General Reserve.

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, which affect 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. Business and Operational Overview

The company's core operations revolve around the aggregation, procurement, processing, and marketing of milk and its derivative products. The activities undertaken by the company during the fiscal are detailed below:

Milk Procurement

Our Expansive Footprint

We take pride in operating across a vast landscape encompassing 3 states, 11 districts and more than 1,500 villages, collecting milk from 4,006 functional Milk Pooling Points (MPPs) where the pooled milk transported to 135 Bulk Milk Cooling Units (BMCUs) with a daily processing capacity of 7 Lakh Kgs of raw milk facilitating seamless procurement operations. This year, we successfully added 7 new own BMCUs and 505 new MPPs to our network.

Quantitative Growth - A Testament to Excellence

The numbers tell an inspiring tale of growth and excellence. Our daily average milk procurement surged to an impressive 5.61 LKgPD, displaying a remarkable 20% year-on-year growth.

Rewarding Loyalty

To recognize the unwavering commitment of members and their contributions to supply milk

continuously, we distributed Rs.9.83 crore as price difference out of which Rs. 6.93 crore in cash and apart from this cash ,5 liters Stainless Steel cans distributed from the balance amount as loyalty incentive to 50,953 deserving members.

Producer Institution Building (PIB)

Journey of Empowerment

Step into the captivating realm of Producer Institution Building (PIB), where engagement isn't just a word - it's a spark that ignites empowerment. Journey with us through a year of innovation, connection, progress and each stride echoing our pursuit of a brighter tomorrow.

Unveiling Our Journey of Achievements:

- **Engage:** During the financial year 2022-23, we proudly embraced 22,408 new members into the Company.
- **Educate:** Learning is a continuous process for everyone. In this context, we have organized member awareness programmes round the year in which 26,202 women members participated and improved their knowledge of the dairy sector.
- **Empower:** Unity is the core of empowerment. Village Contact Groups (VCGs) and Member Relation Groups (MRGs) emerged as bridges of connection between the Company and the members, fostering trust and understanding. This year, 2,548 VCGs and MRG members embodied our mission's heart and soul cultivating relationships that transcend boundaries.
- **Unity in Celebrations:** Festivals are threads weaving cultures together. We celebrated Makara Sankranti/Pongal across 50 villages, infusing joy and cultural unity into our efforts. Experienced the magic of engagement and shared festivities leaving a trail of radiant smiles.
- **Knowledge Unleashed:** Imagine a world where information gaps fade, skills flourish and PIB's awareness programs unfolded like chests of treasures. From producer enlightenment to women-centric initiatives meticulously crafted to enrich minds and elevate practices.

The Symphony of Innovation:

- **Innovation in Your Palm:** Experience the future at your fingertips. Our member app ensures real-time updates on milk pouring trends, payments and progress, composing a digital symphony of transparency and empowerment.
- **Meeting Minds with the CEO:** Bridging gaps, forging connections and the 'Meet and Greet with the CEO' initiative united members and the Chief Executive. Through this platform where ideas flowed freely and confidence multiplied.

Spot of Recognition and Reward:

- **IDF Extravaganza:** Shreeja was one of the sponsors of India's grandest event in the dairy industry 'the IDF Summit' held in New Delhi. The Board of Directors along with Chief Executive were present at the Shreeja stall in the event with the hon'ble Prime Minister of India Sh. Narendra Modi.
- **Awards and Accolades:** Shreeja Chairperson Smt. K. Sreedevi and ex-Board Director Smt. K. Saraswathi were presented with Women Leadership Awards by Hybiz TV.
- **TV9 Spotlight:** TV9 a leading news channel in Andhra Pradesh showcased grassroots success stories through "Anaganaga Oka Vooru." Village-level screens broadcasted these stories, shining a light on local achievements.
- **Bonus Press Meet:** For the first time, we celebrated our members' success stories through a Bonus Press Meet. Their triumphs graced regional newspapers amplifying our farmers' remarkable journeys.

Ration Balancing Programme (RBP)

Ration Balancing Programme (RBP) has made significant strides in its mission to enhance animal production and reproduction by adopting scientific feeding methods and providing technical support to milk producers. The programme focuses on improving milk production efficiency and economic returns from dairying has yielded promising outcome by addressing imbalanced feeding practices and promoting the use of area specific mineral mixture.

The Ration Balancing Programme will continue to work towards enhancing animal productivity and thereby improving the livelihood of milk producers. The Programme aims to expand its reach to more farmers to create further awareness on antibiotic usage and establish additional training initiative to empower livestock owners with the skills needed for sustainable dairying.

The ongoing support with our veterinary experts and the adoption of scientific methods stood central to the programmes' success by addressing the nutritional needs of livestock, controlling diseases through Ethno-Veterinary Medicine (EVM) practices and providing comprehensive advisory services.

Key Achievements

- Successfully organized 1,371 health camps providing on site veterinary services and health care support to dairy cattle. With this, we could test around 32,000 cows to identify and treat subclinical mastitis cases with the EVM practices by preventing the spread of infection and ensuring milk quality. A substantial reduction in the usage of antibiotics by the members had been noticed which led to the reduction of antibiotic residues in milk.
- With our Veterinary experts created awareness on Lumpy Skin Disease(LSD) and Sub Clinical mastitis by way of EVM.
- Supplied 17,300 MTs of Cattle Feed, 32 MTs of Area Specific Mineral Mixture & other essential veterinary medicines which ensured that livestock received the necessary nutrition and care for optimal health to further improve productivity with a reduction in production cost.
- Distributed 4,300 AI doses aiding in improved breeding and superior genetic enhancement of the dairy herd and 3,700 members got benefitted with this service.

Sales & Marketing

The Company had achieved the sales of 57,544 LPD of Milk, Curd and Buttermilk in 2022-23 against the sale of 50,079 LPD in 2021-22 achieved 15% growth in volume. The best performer of the year is Ghee that increased by 331% from 68,004 litres to 2.25 lakh litres, while Paneer posted 30% and Lassi with 5% growth over last financial year.

The Company launched milk and milk products in new markets viz. Kalyanadurg, Pamidi, Proddatur and other markets. The company had also introduced milk and milk products in Reliance and D-Mart stores across many locations in Andhra Pradesh and Telangana. We have organized various activities to promote our products targeting different segments of the consumers. The Company promoted products under Shreeja brand in Social Media i.e. Facebook, Instagram and You Tube etc. The Company had launched Consumer app in Hyderabad market and started focusing on consumers directly and started subscriptions in the consumer app.

Quality Assurance (QA)

At Shreeja, the Quality Assurance department played the crucial role in ensuring the safety, consistency, and quality standards of milk and milk products during the year. Through continuous testing, monitoring and adherence to industry standards, we have put in good efforts to see that the milk and its derivatives met the regulatory quality standards before reaching consumers' hand.

Shreeja started testing and monitoring Food Safety parameters like adulterants, antibiotic and aflatoxins in milk on half yearly basis. The Company implemented very stringent testing regime by usage of Rapid Test Kits at field level for detecting any type of adulteration and antibodies residues in the milk by Del Strip method. Apart from this the rapid and conventional testing methods, we have been strengthening the testing methods by establishing the Milko Screen machines (Indi Foss) to avoid the testing errors and adulteration in the field.

Our QA team have been monitoring of GMP, GHP & Food Safety norms (as per FSSAI guidelines) at 3rd Party Plants in various processing facilities and timely assessing of the ongoing erection activities.

As an initiative, the Company has standardised the process of getting the Cattle Feed samples as per our SOP to avoid the sample and testing errors sent to CALF Laboratory and NCML Labs.

The Company strengthened IVRS customer complaint handling system with timely improvisation to achieve fast closure and redressal of market complaints. We have achieved market complaints in a timely faster manner.

Key Achievements:

- Achieved MBRT of more than 110 minutes
- Conducted 1,193 milk producer awareness programs on Clean Milk Production
- Conducted 865 trainings on GMP, GHP and GLP to Palamithras and BMCU staff
- Quality improvement project successfully implemented at Gorantla milk shed and achieved 120 min MBRT for manufacture of Poly Pack Milk Market at Bathalapalli plant and reduced raw milk transportation cost by Rs.27 lakhs.
- UHT project initiated and successfully operated at Konalur BMCU by achieving 120 min MBRT and 70% Alcohol for premium quality Milk.

Information Technology (IT)

In the rapidly evolving landscape of technology, our organisation has continued to invest in and leverage innovative IT solutions to streamline processes, enhance efficiency, and provide superior services. In the financial year 2022-23 witnessed significant advancements in our IT initiatives, focusing on digital

transformation and optimisation across various departments. Below are the key IT projects that were successfully undertaken during the year:

- **Shreeja Mitra Application:** We embarked on a journey to enhance member experiences by digitalising the member application process. This project simplified the application process, resulting in faster processing times and reduced administrative overhead.
- **Sales Automation:** To streamline our sales operations, we implemented a robust sales automation system that optimised lead management, tracking, and reporting. This resulted in improved sales efficiency and better insights into customer behaviour.
- **Secondary Logistics Optimization:** Our IT team collaborated with the logistics department to optimise secondary logistics operations using advanced routing algorithms and real-time tracking.
- **Paperless Office:** We continued our commitment to sustainability by further reducing paper consumption by implementing digital documentation and communication solutions. This initiative contributed to our eco-friendly efforts and improved document accessibility and retrieval.
- **Business Analytics - Power BI:** Integrating Power BI for business analytics enabled data-driven decision-making in Sales & Marketing department. Our sales team gained deeper insights into key performance indicators with interactive dashboards and insightful visualisations.
- **Digitization of 1.5 Lakh Member Applications:** We have successfully digitalized 1.5 lakh member application forms which helped us in avoiding all the demerits of handling physical forms.
- **Endpoint Security:** Cybersecurity remained a top priority. We implemented advanced endpoint security solutions to safeguard our digital assets, data, and systems against evolving cyber threats.

These IT projects collectively underline our organisation's commitment to leveraging technology for strategic advantage, operational excellence, and enhanced stakeholder experiences. Looking ahead, we remain dedicated to harnessing emerging technologies and innovations to drive our organisation's growth and success.

Human Resources & Administration (HR & Admin)

The Human Resources (HR) department played a pivotal role in the success of the organization during the financial year. As we have introduced the **HRMS software 'Darwinbox'** for most of the operations of the department, it could attain better heights during the fiscal. The following are the improved modules:

Core & Recruitment:

These modules bettered with the features like complete details of the employee available including profile picture, view and download personal documents, offer letter management, on-boarding and release of appointment letters.

Payroll:

Many updates were brought into payroll module like **Payroll Integration with SAP**, declaring & submitting employee individual investments, income tax computations, maintaining employee confidential documents like hike letters, payslips, Form-16, etc.

Performance Appraisal:

HR revamped the performance appraisal system, making it more objective and results-oriented with the features like Goals entry, year-end achievements submission and the appraisal process with goals and competencies was made so easy with automatic ratings basing targets vs achievements. Also bringing in a greater ease for the managers to view, edit and approve the goals submitted by their reportees.

Other Modules:

Leave module has been improved with view, apply and approve leaves while Attendance module has attained more stability with geo fencing feature and employees have started getting acquainted to Vibe - our own social media to post, view, like and share the content.

HR also focussed on the following different areas during the fiscal:

Employee Engagement Activities:

The HR department organized a range of employee engagement initiatives, including team-building events, wellness programs, and recognition ceremonies. These activities fostered a sense of belonging among employees, increased their motivation and strengthened overall teamwork.

Learning & Development:

Investing in employee growth is essential for the long-term success of any organization. HR conducted TNI exercise, understood the skill gaps, curated relevant training programs and provided opportunities for professional development. As a result, employees gained new competencies, which positively impacted productivity and innovation.

6. Induction Training and Field Trips for New Joiners:

The HR department ensured a smooth on-boarding process for new employees through well-structured induction training programs. Additionally, organizing field trips for new joiners helped familiarize themselves with the company's operations and culture, enabling them to integrate seamlessly into their roles.

Besides the above, conducted Employee Satisfaction Survey to understand the pulse of the employees and to take better decisions, nominated employees for different external training programs and almost going paperless in most of the activities.

7. Share Capital / Membership / Voting Rights

As at 31st March 2023, the paid up share capital was Rs. 29.73 Crore, whereas 1,07,169 members were appearing on the register of members of the Company.

After 31st March 2023, Company has enrolled 6,919 new members, 215 members cancelled their membership and the total number of members as on the date of this report stands at 1,13,935 members.

To avoid cancellation of membership, all the members are hereby requested to fulfil all the patronage criteria of their respective class and conditions for continuation of membership during the relevant financial year.

Class Categorization / Voting Rights and attendance at 10th AGM

As on 31st March 2023 total members as per register was 1,07,169, out of that 215 members cancelled their membership post 31st March 2023. Hence, they are not eligible to attend 10th AGM. Based on the analysis of data, fulfilment and non-fulfilment of patronage criteria by the members during F.Y. 2022-23 and their member status as on date of notice, there were 7,536 members in Class-A, 14,944 members in Class-B and 32,166 members in Class-C (aggregating to 54,646 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.

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

There were 9,300 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. 2022-23. 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, 4, 5 & 6 of the notice), however, they can vote on other resolutions at Item no's 1, 2 & 7 of the notice.

Remaining members who didn't pour the milk for at least 200 days totalling to at least 500 litres during the previous financial year 2022-23 and hence they are not entitled for voting rights in 10th AGM. Out of the total 1,07,169 members, 215 members' membership have been cancelled post 31st March 2023. Hence, they are not eligible to attend the AGM.

After the closure of the financial year 2022-23 and till the date of this notice, 6,919 new members were admitted, who will not be entitled to dividend (if declared) for FY 2022-23 as well as voting right at ensuing AGM. However, they can attend the AGM.

A milk producer, who was a member as on 31st March 2023, but whose membership has been cancelled after 31st March, 2023, will be entitled to dividend for FY 2022-23, but shall not be entitled to any share/membership related rights, entitlement or benefit (including attendance & voting at AGM) post such cancellation as she has ceased to be a member of the Company.

Similarly, a new member, who was admitted as member of the Company post 31st March 2023 will not be entitled to dividend for the F.Y. 2022-23 as well as voting right at ensuing AGM.

8. Investor Education and Protection Fund (IEPF)

During the year under review an amount of Rs. 2,50,760/- unpaid/unclaimed dividend was transferred to Investor Education Protection Fund (IEPF) pursuant to the requirement of section 124(5) of the Companies Act, 2013.

9. Board of Directors and Key Managerial Personnel

Smt. Vijaya Kolla (DIN: 07078378), Smt. Saraswathi Kasireddy (DIN: 08540593) and Smt. Nirupa Kovi (DIN: 08211285) retired as the Directors of the Company at 9th AGM held on 30th September 2022. The Board appraised the services rendered by Directors during their tenure for their support to enhance the growth of the Company.

Pursuant to the Article 9.6 and other relevant articles of the Articles of Association of the Company and applicable provisions of the Companies Act 2013, Smt. Hemalatha Marupudi (DIN:06893300), Smt. Chandrakala Tamatapalli (DIN:09730332) and Smt. Girija Gonappa (DIN:09731179) were appointed as Directors on retirement by rotation basis in 9th AGM of the Company effective from 30th September 2022.

Dr. Annapurna Neti (DIN: 06998090) re-appointed as Expert director for a period of two years effective from 14th October 2022.

Dr. N V Belavadi (DIN: 01734080) Expert Director of the Company retired after completion of his term w.e.f., 13th October, 2022.

Sri. Sriram Singh (DIN: 06895219) was appointed as an Expert Director of the Company with effect from 14th October 2022 and resigned on 31st January 2023.

Composition of Board of Directors & re-appointment of Directors

Article 9.4 of the Articles of Association of the Company deals with determination of criteria for categorizing members into different classes based on their patronage and representation of such classes of members on the Board to the extent possible, based on the patronage of members of respective class. The revised criteria for categorizing members into three different classes viz., Class-A, Class-B and Class-C based on patronage were approved at the 8th AGM of the Company.

During FY 2022-23 it has been found that 44% of the total members as on 31st March 2023 have fulfilled all the prescribed criteria of patronage of their respective class. Accordingly, out of this 44% of the total members, 6% comprised of Class - A, 12% Comprised Class - B and 26% comprised Class - C. Whereas the proportionate percentages (%) of quantity of milk (patronage) supplied by the said Class - A, Class - B and Class - C of members amongst themselves were respectively 41%, 33% and 26% respectively. Accordingly, the composition of the Board providing for representation of each class of members on the Board based on patronage of each class of members comes to 4 Directors for Class - A, 4 Directors for Class - B and 3 Directors for Class - C respectively. The Board will meet the requirement of Article 9.5, as following: -

Smt. Vijayalakshmi Pulikinti (DIN: 08902806) and Smt. Reddamma Patakula Seenappa (DIN: 09799061) representing Class - B, Smt. Thayaramma Madhasi (DIN: 08905157) and Smt. Saraswathi Sunkara (DIN: 08903045) representing Class - C, the Directors of the Company will retire at the ensuing AGM of the Company, as per Article 9.5 & 9.6 of Articles of Association of the Company.

In their place, the Nominating Committee has, at its meeting held on 26th August 2023, recommended the appointment / re-appointment of Smt. Varalakshmi Mummareddy (DIN: 10310742), Smt. Vijayalakshmi Pulikinti (DIN: 08902806), Smt. Reddamma Patakula Seenappa (DIN: 09799061) and Smt. Thayaramma Madhasi (DIN: 08905157) representing Class - A & B & C as Directors of the Company at the ensuing AGM, who are eligible for such appointment / re-appointment in accordance with the provisions of the Articles of Association of the Company.

This will make the total strength of directors in Class-A to 4, Class-B to 4 and Class-C to 3 directors.

Accordingly, the Board recommends their appointment. The statement containing name and qualifications of each of the four Directors seeking appointment is annexed to the Notice convening 10th AGM of the Company.

10. Board & Committee Meetings

i. Board Meetings:

Seven Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

Board Meeting No.	Board Meeting Date	Board Strength	No. of Directors attended
47	24th May 2022	15	15
48	15th July 2022	15	14
49	08th September 2022	15	12
50	08th October 2022	14	12
51	02nd December 2022	14	12
52	24th January 2023	15	15
53	20th March 2023	14	14

The necessary quorum was present for all the meetings.

ii. Stakeholders Relationship Committee:

Pursuant to requirement of section 178(5) of the Companies Act, 2013, Stakeholders Relationship Committee was constituted by the Board to resolve the grievance of stakeholders of the Company. The Committee consists of:

Smt. Sreedevi Kuntapalli, Chairman, Smt. Thayaramma Madhasi, Member, Shri Jayatheertha Chary, Member;

During the period under review, one meeting was held on 20th March 2023.

iii. Member Related Committee Meetings:

During the year 2022-23, the Member Related Committee met Nine times for the approval of applications related to transmission of shares, correction of Member's name in the register and issue of duplicate share certificates etc. The Meetings were held as below:

Committee Meeting No.	Committee meeting Date	Committee Meeting No.	Committee meeting Date
33	21st April 2022	37	01st October 2022
34	03rd June 2022	38	03rd November 2022
35	06th August 2022	39	17th December 2022
36	07th September 2022	40	02nd February 2023
		41	06th March 2023

11. Directors Responsibility Statement

In accordance with section 134 (5) the Board of Directors of the Company inform the members that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2023 and of the profit and loss of the company for the period ended 31st March 2023;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

12. Internal Financial Control

The Company has in place the proper and adequate internal financial control system, which ensures that all assets are safeguarded and protected and the transactions are authorized, recorded and reported correctly. As per Section 378 ZF of the Companies Act 2013, Company has to carry out internal audit of its accounts. Accordingly, Company has re- appointed M/s. Ernst & Young LLP, Chartered Accountants as Internal Auditors of the Company for the year 2023-24. The Internal Auditors independently evaluate the adequacy of internal control and concurrently audit the majority of the transactions in value terms.

13. Statutory Auditors

M/s. S.B. Billimoria & Co. were appointed as Statutory Auditors of the Company at the 8th Annual General Meeting for a period of 3 years from FY 2021-22 to 2023-24.

The Auditor's Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark. The Auditors have conveyed their confirmation about their eligibility to continue as Statutory Auditors of the Company. During the year under review, the Statutory Auditors has 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.

14. Corporate Social Responsibility

Company has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The policy framed aims to undertake CSR activities /projects as per schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Policy adopted by the Board is available on the website of the Company at www.shreejamilk.com/policies

Further, pursuant to section 135(9) of the Companies Act, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable to the Company. Therefore, the functions of Corporate Social Responsibility Committee are being discharged by the Board of Directors of the Company.

During the year, the Company made a contribution of an amount of Rs.4.30 Lakh to Parents Association for Children with Special Needs for conducting programs on Beat Plastic Pollution and Energy Conservation identified as CSR activities as per Schedule VII of the Companies Act, 2013.

Annual Report on CSR activities is enclosed as per prescribed format as Annexure - A and forms part of this report.

15. Particulars of Loans, Guarantees given and Investments made by the Company

The Company has issued a loan of Rs. 2.00 Crore to Sri Teja Dairy during the FY 2022-23. Other than above loan, 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.

16. Particulars of Contracts, Arrangements with related parties referred in Section 188 of the Companies Act 2013

Related party transaction that was entered into during the financial year ended 31st March, 2023 was on an arm's length basis and was in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons. Thus, disclosure in Form AOC-2 is not required.

17. Deposits

No disclosure or reporting was required in respect of the details relating to deposits covered under the Companies Act, 2013 as there were no deposits during the financial year 2022-23.

18. 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.

19. Cost Audit

The provisions of Cost Audit as per section 148 does not apply to the Company.

20. Disclosure under the Sexual Harassment of Women at workplace (Prevention of, Prohibition and Redressal) Act, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. There were no incidences of sexual harassment reported during the year under review.

21. Risk Management

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. These procedures are reviewed to ensure that management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, financial, human and statutory compliance etc.

Company has developed and implemented a Risk Management Policy and the same has been adopted by the Board.

22. Vigil Mechanism

The Company has established a Vigil Mechanism for Directors and employees pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the Board has delegated the function of overseeing the Vigil Mechanism to the Chief Executive of the Company. The Vigil Mechanism (Whistle Blower Policy) is available on the website of the Company.

23. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and out go

1. Generation of 500 Liters Hot water for day for CIP of the Bulk Milk Coolers and its accessories at Free of Cost by installing 250 ltr capacity Heat Recovery Units between BMC tank and Condensing Units by using the waste heat recovery to generate hot water before releasing to the atmosphere. Resulting in cost saving in terms of electricity, improvement in efficiency of the BMCU.

2. Use of Renewable Energy (Solar PV) for the operation of Milk Testing Equipments DPMCUs at Village Level. We are generating the electricity through renewable solar energy 400 kW (0.40 MW) per day from 4000 Nos Solar PV for the operation of DPMCUs at Village Level

Resulting in cost saving in electricity by annually about Rs 10.22 lakhs, not dependent upon the Electricity Supply Companies.

3. Use of Advance Engineering for BMCU

To protect they ozone layer depletion which causes increase ultraviolet radiation level at the Earth surface which is damaging to human health (Negative effects include increase in certain types of skin cancer eye contacts and immune deficiency disorders) to avoid the consumption of refrigerant such as R-22 which contains HCFC's refrigerant R- 22 gas for the refrigeration.

In order to protect the environment Shreeja has taken step to purchase the New Bulk Milk Coolers with HFC blended R-404A refrigerant which is free from depletion of ozone layer with scroll type Energy Efficient Compressors in place of R-22 refrigerant reciprocating compressors.

Resulting in Protection of the Environment and Energy Saving in terms of Electricity.

24. Particulars of Employees

During the period under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

25. Annual Return

Annual Return of the Company as on 31st March 2023 in accordance with Section 92(3) & Section 134(3) of the Act read with Companies (Management and Administration) Rules, 2014 is available on the Company's website at www.Shreejamilk.com.

26. Way forward

We are a growing concern and as a part of our growth strategy, the Company has planned to carry out following projects in the FY 2023-24:

- Planning to introduce new products in order to fulfill the emerging market needs and requirements. We started working on two projects i.e., Milk Sweets (Doodh Peda, Mysore Pak & Cashew Burfi) and Ice-creams. The Milk Sweets are expected to be launched shortly.
- Expanding sales operational area by increasing milk parlours. Exploring the options of commodities manufacturing and trading.
- Capitalizing on the opportunity extended by the Government of India for formation of 10K FPOs, Shreeja acting like CBBO and promoting a fodder & agri based FPO in Satya Sai District of Andhra Pradesh.
- NDDB Dairy Services implementing Sex Sorted Semen Project under Raashtriya Gokul Mission in the Greater Rayalaseema Region, which will benefit immensely the members of the Company to increase their milch animals and in turn doubling their incomes in next three to four years.
- Planning to set up solar based Bulk Milk Cooling Units to reduce the carbon footprint, eco-friendly and make the BMCU operations more viable.
- Extending our milk procurement activities to benefit small and marginal milk producers of Telangana State.
- Under Information Technology initiative, we are planning to revamp our website to be more interactive platform. We are also taking up the automation process at BMCUs.
- As we embark on these pioneering projects, we are confident that the Information Technology department will continue to spearhead innovation, steering our organisation towards efficiency, competitiveness and prosperity.

27. Acknowledgement

The Board of Directors wish to convey their appreciation to members, business associates for their support and contribution during the period under review. The Directors would also like to thank bankers, employees, both internal & statutory auditors for their continued support and customers.

The Board of Directors acknowledge with gratitude the encouragement and support extended by National Dairy Development Board, NDDB Dairy Services and Mother Dairy Fruit & Vegetable Private Limited.

Place: Tirupati

Date: 03rd September 2023

For and on Behalf of the Board of Directors

Sreedevi Kuntapalli

Chairman

DIN : 06881611

ANNEXURE-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder and provides for carrying out CSR activities by prioritizing selection, implementation and monitoring of activities for sustainable development for the society where the Company operates either directly or through others.

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 of high quality of products to meet the needs of the society.

2. Composition of CSR Committee:

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

3. Provide the Weblink where composition of CSR committee, CSR projects approved by the Board are disclosed on the website of the Company:

<https://www.Shreejamilk.com/policies>.

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: Not Applicable.

5. (a) Average net profit of the company as per section 135(5): Rs. Rs. 5,20.29 Lakh
(b) Two Percent of average net profit of the Company as per section 135(5): Rs. 10.41 Lakh
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
(d) Amount required to be set-off for the financial year, if any - Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - Rs. 10.41 Lakh
6. (a) Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project) - Rs. 4.30 Lakh
(b) Amount spent in Administrative Overheads - Nil
(c) Amount spent on Impact Assessment, if applicable - Not applicable
(d) Total amount spent for the Financial Year [(a)+(b)+(c)] - Rs. 4.30 Lakh
(e) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6):		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) : Nil		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 4.30 Lakh	7.78 lakh	29.04.2023	NIL		

* Note: During the year the Company allocated CSR one-time Project of Rs. 4.30 Lakh. However, the implementing agency "Parents Association for Children with Special Needs" has spent total amount towards the project and claimed amount of Rs. 2.62 Lakh in the Financial Year 2022-23 and claimed the balance amount in July 2023.

(f) Excess amount for set off, if any: Nil

(Rs. In Lakhs)

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

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per Second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of Transfer		
1	FY 1	NIL						
2	FY 2							
3	FY 3							
	Total							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No.

If Yes, enter the number of Capital assets created / acquired - Not Applicable.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: The Board of Directors approved the contribution of Rs. 6.11 lakh towards the continuous / ongoing project named 'Promoting health & benefits of nutrition values by consuming food' and implement the same through 'Parents Association for Children with Special Needs' (implementing agency).

Place: Tirupati

Date: 03rd September 2023

For and on behalf of Board of Directors

Sreedevi Kuntapalli

Chairman

(DIN: 06881611)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Shreeja Mahila Milk Producer Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, 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, 2021, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and 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 (SAs) specified under section 143(10) of the Act. 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.

Responsibilities of Management and Those Charged with Governance 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 with reference to financial statements 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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 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 with reference to financial statements 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 with reference to financial statements.
- 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 does not have any pending litigations which would impact its financial position.
 - 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 ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, 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 ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(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.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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.
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.

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

Jitendra Agarwal
Partner

(Membership No. 87104)
(UDIN:23087104BGYKZF8492)

Place: Gurugram

Date: 03rd September, 2023

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Shreeja Mahila Milk Producer Company Limited (“the Company”) as of 31 March, 2023 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 with reference to financial statements based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 with reference to financial statements. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 with reference to financial statements

and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2023, based on the criteria for internal financial control with reference to financial statements 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.

Place: Gurugram

Date: 03rd September, 2023

For S. B. BILLIMORIA & CO. LLP
Chartered Accountants
(Registration No. 101496W/W100774)
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN:23087104BGYKZF8492)

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)

- (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 Property, Plant and Equipment were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. 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, 2023 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) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) (a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans
Aggregate amount of loan granted/ Provided during the year	
-Others*	200.00 Lakhs
Balance outstanding as at balance sheet date in respect of	
-Others*	169.80 Lakhs

* See note 14 of financial statements for the year ended 31 March, 2023

The Company has not provided any advance in nature of loan, guarantee or security to any other entity during the year.

- (b) The terms and conditions of the grant of the above-mentioned loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans granted by the Company have fallen due during the year.

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted.
- (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, 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 Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as at 31 March, 2023 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub clause (a) above which have not been deposited on account of disputes as on 31 March, 2023.
- (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.
- (xiv) (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 2022 to September 2022 and the final of the internal audit reports which were issued after the balance sheet date covering the period October 2022 to March 2023 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) (a) 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. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For S. B. BILLIMORIA & CO. LLP
Chartered Accountants
(Registration No. 101496W/W100774)
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN:23087104BGYKZF8492)

Place: Gurugram

Date: 03rd September, 2023

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)

- 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.
- 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.
- c) The details of assets and liabilities as at 31 March, 2023 are as per the financial statements of the Company as at and for the year ended 31 March, 2023.
- 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.
- e) According to the information and explanations given to us, the Company has not granted any loan to its directors.
- f) According to the information and explanations given to us, the Company has not given any donations or subscriptions during the year.
- g) According to the information and explanations given to us, there are no other matters except stated above.

For S. B. BILLIMORIA & CO. LLP
Chartered Accountants
(Registration No. 101496W/W100774)
Jitendra Agarwal
Partner
(Membership No. 87104)
(UDIN:23087104BGYKZF8492)

Place: Gurugram

Date: 03rd September, 2023

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH, 2023

(Rupees in lakhs)

	Note No.	As at 31 March, 2023	As at 31 March, 2022
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	2,973.13	2,584.64
(b) Reserves and surplus	4	1,831.07	1,610.02
		4,804.20	4,194.66
2. Share application money pending allotment	29	49.78	40.08
3. Deferred grant	5	906.23	1,035.63
4. Non - current liabilities			
(a) Other long-term liabilities	6	824.73	764.84
(b) Long - term provisions	7	319.96	356.81
		1,144.69	1,121.65
5. Current liabilities			
(a) Short term borrowings	8	-	9,126.91
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	9	2.33	59.26
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9	4,480.93	3,611.20
(c) Other current liabilities	10	633.29	630.76
(d) Short - term provisions	11	81.27	11.70
		5,197.82	13,439.83
Total		12,102.72	19,831.85
B. ASSETS			
1. Non - current assets			
(a) Property, Plant & Equipment and Intangible assets			
(i) Property, plant and equipment	12a	3,566.40	3,307.22
(ii) Intangible assets	12b	37.13	6.26
(b) Deferred tax asset (net)	13	128.30	116.59
(c) Long-term loans and advances	14	318.63	87.59
		4,050.46	3,517.66
2. Current assets			
(a) Inventories	15	1,601.40	725.45
(b) Trade receivables	16	1,578.97	10,702.29
(c) Cash and cash equivalents	17	4,500.11	4,697.47
(d) Short - term loans and advances	18	250.70	166.43
(e) Other current assets	19	121.08	22.55
		8,052.26	16,314.19
Total		12,102.72	19,831.85

See accompanying notes forming part of the financial statements

In terms of our report attached
For **S.B. BILLIMORIA & CO.LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Place: Gurugram
Date: 03rd September 2023

For and on behalf of the Board of Directors

Sreedevi Kuntapalli
Chairman
DIN : 06881611

Jayatheertha Chary
Director & Chief Executive
DIN : 07709827

Chandrakala Tamatapalli
Director
DIN : 09730332

N. Amarendra Babu
Company Secretary
Membership No:A18924

N.Rajesh
Head Finance & Accounts

Place: Tirupati
Date: 03rd September 2023

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Note No.	Year ended 31 March, 2023 (Rupees in lakhs)	Year ended 31 March, 2022 (Rupees in lakhs)
1. Revenue from operations	20	93,297.41	70,513.63
2. Other income	21	328.91	172.18
3. Total Income (1+2)		93,626.32	70,685.81
4. EXPENSES			
(a) Cost of materials consumed	22	86,488.95	63,114.28
(b) Changes in inventories of stock-in-trade	23	(825.68)	(165.68)
(c) Employee benefits expense	24	1,207.25	1,090.18
(d) Finance costs	25	133.55	572.60
(e) Depreciation and amortisation expense	12c	504.67	382.22
(f) Other expenses	26	5,489.91	4,956.40
Total expenses		92,998.65	69,949.99
5. Profit before tax (3-4)		627.67	735.82
6. Tax expense:			
(a) Current tax		187.50	195.30
(b) Tax adjustment of previous years		49.91	0.02
(c) Deferred tax credit		(11.71)	(41.23)
Net tax expense		225.70	154.09
7. Profit for the year (5-6)		401.97	581.73
8. Earnings per equity share:			
(Nominal value Rs. 100 per share)			
(a) Basic	34	14.69	24.25
(b) Diluted	34	14.69	24.25

See accompanying notes forming part of the financial statements

In terms of our report attached
For S. B. BILLIMORIA & CO.LLP
Chartered Accountants

Jitendra Agarwal
Partner

Place: Gurugram
Date: 03rd September 2023

For and on behalf of the Board of Directors

Sreedevi Kuntapalli
Chairman
DIN : 06881611

Jayatheertha Chary
Director & Chief Executive
DIN : 07709827

Chandrakala Tamatapalli
Director
DIN : 09730332

N. Amarendra Babu
Company Secretary
Membership No:A18924

N.Rajesh
Head Finance & Accounts

Place: Tirupati
Date: 03rd September 2023

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

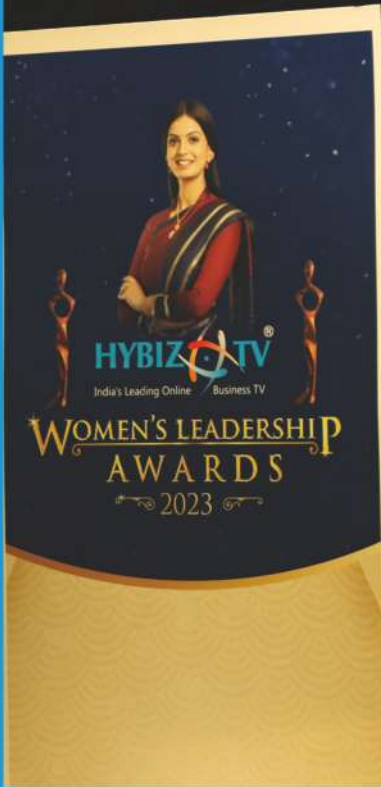
	As at 31 March, 2023 (Rupees in lakhs)	As at 31 March, 2022 (Rupees in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	627.67	735.82
Adjustments For :		
Depreciation and amortisation expense	504.67	382.22
Loss on discard of property, plant and equipment	-	130.29
Provision for employee benefits	32.75	-
Finance costs	130.31	569.87
(Profit)/Loss on sale of property, plant and equipment	(4.54)	(2.95)
Interest income	(155.31)	(93.26)
Liabilities/provisions no longer required written back	19.44	-
Operating Profit before working capital changes	1,154.99	1,721.99
Adjustments for movement in working capital:		
Decrease/(Increase) in inventories	(875.95)	(222.59)
Decrease/(Increase) in trade receivables	9,123.32	(138.29)
Decrease/(Increase) in short term loans and advances	(20.35)	31.44
Decrease/(Increase) in long term loans and advances	(59.79)	(17.23)
(Decrease)/Increase in other long term liabilities	59.89	(17.05)
(Decrease)/Increase in provision for employee benefits	-	61.82
(Decrease)/Increase in trade payables	793.36	215.04
(Decrease)/Increase in current liabilities	80.85	329.61
Cash generated from/(used in) operations	10,256.31	1,964.73
Net income tax (paid)/refund	(302.69)	(208.22)
Net cash flow from/(used in) operating activities - (A)	9,953.62	1,756.51
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net proceeds from bank balances not considered as cash and cash equivalents	(98.13)	(0.34)
Purchase of property, plant and equipment (net of capital grant)	(926.66)	(601.14)
Net payments for loan to others	(169.89)	
Proceeds from sale of property, plant and equipment	7.92	12.21
Interest received	149.85	92.41
Grant Receivable (See note 19 and 34)	(93.07)	-
Net cash flow from/(used in) investing activities - (B)	(1,129.98)	(496.86)

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	As at 31 March, 2023 (Rupees in lakhs)	As at 31 March, 2022 (Rupees in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity share capital (net of repayments)	348.40	265.14
Share application money received	49.78	40.08
(Decrease)/Increase in short term borrowings	(9,126.91)	(31.52)
Finance costs paid	(207.60)	(564.98)
Dividend Paid	(182.80)	(114.17)
Net cash flow from/(used in) financing activities - (C)	(9,119.13)	(405.45)
Net increase in Cash and cash equivalents (A+B+C)	(295.49)	854.21
Cash and cash equivalents at beginning of the year	3,487.31	2,633.10
Cash and Cash equivalents at the end of the year	3,191.82	3,487.31
Cash and cash equivalents comprises:		
Cash in hand	-	0.05
Balances with banks:		
- in current accounts	3,191.82	3,487.26
	3,191.82	3,487.31
Add: Bank balances not considered as Cash and cash equivalent	1,308.29	1,210.16
Cash and cash equivalents as per Cash Flow Statement	4,500.11	4,697.47

See accompanying notes forming part of the financial statements

<p>In terms of our report attached For S.B. BILLIMORIA & CO.LLP Chartered Accountants Jitendra Agarwal Partner</p> <p>Place: Gurugram Date: 03rd September 2023</p>	<p>For and on behalf of the Board of Directors</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Sreedevi Kuntapalli Chairman DIN : 06881611</p> <p>N. Amarendra Babu Company Secretary Membership No:A18924</p> <p>Place: Tirupati Date: 03rd September 2023</p> </td> <td style="vertical-align: top;"> <p>Jayatheertha Chary Director & Chief Executive DIN : 07709827</p> <p>N.Rajesh Head Finance & Accounts</p> </td> <td style="vertical-align: top;"> <p>Chandrakala Tamatapalli Director DIN : 09730332</p> </td> </tr> </table>	<p>Sreedevi Kuntapalli Chairman DIN : 06881611</p> <p>N. Amarendra Babu Company Secretary Membership No:A18924</p> <p>Place: Tirupati Date: 03rd September 2023</p>	<p>Jayatheertha Chary Director & Chief Executive DIN : 07709827</p> <p>N.Rajesh Head Finance & Accounts</p>	<p>Chandrakala Tamatapalli Director DIN : 09730332</p>
<p>Sreedevi Kuntapalli Chairman DIN : 06881611</p> <p>N. Amarendra Babu Company Secretary Membership No:A18924</p> <p>Place: Tirupati Date: 03rd September 2023</p>	<p>Jayatheertha Chary Director & Chief Executive DIN : 07709827</p> <p>N.Rajesh Head Finance & Accounts</p>	<p>Chandrakala Tamatapalli Director DIN : 09730332</p>		



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SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

1. Corporate information

Shreeja Mahila Milk Producer Company Limited ("the Company") was incorporated on 3 July, 2014 under Part IXA of the Companies Act, 1956.

The Company had started the procurement operations in the state of Andhra Pradesh from 15 September, 2014. The Company procures milk directly from milk producers through Milk Pooling Points in villages of Andhra Pradesh, Tamilnadu, Karnataka and sells to Mother Dairy Fruit and Vegetable Private Limited. The Company also trades in Chilled raw Milk, Polypack Milk, Milk Products, Cattle Feed and Feed Supplements.

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 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 amortisation 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 amortisation 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 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 amortisation

Depreciation on tangible and intangible property, plant and equipment 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 useful life considered for charging depreciation is as follows:

Description	Useful life (in years)
Plant and equipment	10
Furniture and fixtures	10
Computers and software	3
Office equipment	5

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

All assets costing Rs. 5,000 or less individually are fully depreciated in the year of capitalisation.

j. Inventories

Inventories comprise raw 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 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.

l. 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 benefit includes 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.

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 recognized 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.

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

q. 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.

r. 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.

s. Material events

Material adjusting events occurring after the Balance Sheet date are taken into cognizance.

t. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation 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.

Note 3: Share Capital

	As at 31 March, 2023		As at 31 March, 2022	
	Number of shares in lakhs	Amount Rupees in lakhs	Number of shares in lakhs	Amount Rupees in lakhs
(a) Authorised share capital Equity Shares of Rs. 100 each	40.00	4,000.00	30.00	3000.00
(b) Issued, subscribed and fully paid up share capital Equity Shares of Rs. 100 each	29.73	2,973.13	25.84	2,584.64

Refer Notes (i) to (iv) 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 i.e dividend and bonus in accordance with Article of Association of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferred liabilities. The distribution will be in proportion to number of equity shares held by the shareholders.

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

	As at and for year ended 31 March 2023		As at and for year ended 31 March 2022	
	Number of shares in lakhs	Amount Rupees in lakhs	Number of shares in lakhs	Amount Rupees in lakhs
Shares outstanding at the beginning of the year	25.84	2,584.64	22.90	2,290.18
Shares issued during the year	6.63	662.77	5.70	570.21
Shares cancelled/ surrenders during the year	(2.74)	(274.28)	(2.76)	(275.75)
Shares outstanding at the end of the year	29.73	2,973.13	25.84	2,584.64

(iii) The Company is registered under the Companies Act, 2013 as 'Producer Company' and 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 share during the year or 5 years immediately preceeding the financial year.

(v) Details of the shares held by promoters

Shares held by promoters at the end of the year

S. No.	Promoter Name	31st March 2023		31st March 2022		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Bojja Lavanya Kumari*	67	0.0023%	67	0.0026%	0.00%
2	Kampalle Sailaja *	38	0.0013%	38	0.0015%	0.00%
3	Kuntapalli Sreedevi	33	0.0011%	33	0.0013%	0.00%
4	Thaluri Nirmala	35	0.0012%	35	0.0014%	0.00%
5	Marupudi Hemalatha	68	0.0023%	68	0.0026%	0.00%
6	Kappalli Narayanaswamy Shobha	125	0.0042%	125	0.0048%	0.00%
7	Nirupa Kovi	55	0.0018%	55	0.0021%	0.00%
8	Putta Lakshmi Devi	51	0.0017%	51	0.0020%	0.00%
9	Deepa Anagallu	43	0.0014%	42	0.0016%	2.38%

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

S. No.	Promoter Name	31st March 2023		31st March 2022		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
10	Kamasani Prameela	27	0.0009%	21	0.0008%	28.57%
11	Marmuthu Deepa	101	0.0034%	101	0.0039%	0.00%
12	Melam Santhi	35	0.0012%	35	0.0014%	0.00%
13	Kandati Lakshmi	100	0.0034%	100	0.0039%	0.00%
14	Burdeti Kalpana	85	0.0029%	85	0.0033%	0.00%
15	Balireddy Gari Rama Subbamma	30	0.0010%	30	0.0012%	0.00%
16	Sirsanabati Janakamma	56	0.0019%	56	0.0022%	0.00%
	Total	949		942		

As at 31 March, 2023 As at 31 March, 2022
Rupees in lakhs Rupees in lakhs

Note 4 - Reserves and surplus

(a) General reserve

Opening balance	1,429.10	1,074.14
Add: Transferred from surplus in Statement of Profit and Loss	223.59	354.96
Closing balance	1,652.69	1,429.10

(b) Surplus in Statement of Profit and Loss

Opening Balance	180.92	68.66
Profit for the year	401.97	581.73
Less:		
(i) Final limited return (dividend) to members for the year ended 31 March, 2022 (Rs. 7 per share)	180.92	114.51
(ii) Transferred to General reserve	223.59	354.96
Closing balance	178.38	180.92

Total (a+b) **1,831.07** **1,610.02**

Note 5 - Deferred Grant

(a) Opening Balance	1,035.63	1,227.04
(b) Add: Capital grant utilised during year (See Note 34)	93.07	-
(c) Less: Depreciation pertaining to assets acquired from grant See Note 12(c)	212.90	191.41
(d) Less: Assets acquired on grant discarded during the year	9.57	-
Closing balance	906.23	1,035.63

Note 6: Other long-term liabilities

(a) Trade / security deposits received	824.73	764.84
	824.73	764.84

Note 7 - Long term provisions

(a) Provision for employee benefits		
(i) For compensated absences	201.94	223.62
(ii) For gratuity	118.02	133.19
	319.96	356.81

Note 8 - Short term borrowings

(a) Unsecured		
(i) Bills discounting facility from bank*	-	9,126.91
	-	9,126.91

* The Company has availed the bill discounting facility from the bank for the period upto 90 days from the date of invoice. The average rate is 4.43% (previous year 6.89%).

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

Rupees in lakhs

As at 31 March, 2023 As at 31 March, 2022

Note 9 - Trade payables

(a) Total outstanding dues of micro and small enterprises	2.33	59.26
(b) Total outstanding dues of creditors other than micro and small enterprises	4,480.93	3,611.20
	4,483.26	3,670.46

Trade Payables ageing schedule: As at 31st March,2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.33	-	-	-	2.33
(ii) Others	4,308.69	117.79	19.01	35.44	4,480.93
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	4,311.02	117.79	19.01	35.44	4,483.26

Trade Payables ageing schedule: As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	59.26	-	-	-	59.26
(ii) Others	3,516.72	28.48	24.70	41.30	3,611.20
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	3,575.98	28.48	24.70	41.30	3,670.46

Note 10 - Other current liabilities

(a) Trade / security deposits received	237.90	239.50
(b) Payable to members against cancellation	7.23	16.55
(c) Advances received from customers	130.82	83.42
(d) Interest accrued but not due on borrowings	-	77.28
(e) Unclaimed/Unpaid dividends	8.29	10.16
(f) Salaries payable	84.95	65.90
(g) Payable for purchase of property, plant and equipments	103.15	102.32
(h) Statutory dues	60.95	35.63
	633.29	630.76

Note 11 - Short term provisions

(a) Provision for employee benefits		
(i) For compensated absences	51.67	7.84
(ii) For gratuity	29.60	3.86
	81.27	11.70

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April, 2022	Additions	Disposals	As at 1 April, 2022	For the year	Disposals	As at 31 March, 2023	As at 31 March, 2022
Tangible assets (owned)								
Plant and equipment	1,906.62 (1,906.62)	93.07	-	1,999.69 (1,906.62)	207.82 (165.95)	-	1,125.69 (917.87)	874.00 (988.75)
Furniture and fixtures	79.01 (79.01)	-	-	79.01 (79.01)	5.08 (5.08)	-	62.30 (57.22)	16.71 (21.79)
Computers	504.49 (504.49)	-	187.37	317.12 (504.49)	-	178.00	302.93 (480.93)	14.19 (23.56)
Office equipment	46.17 (46.17)	-	4.09	42.08 (46.17)	-	3.89	40.75 (44.64)	1.33 (1.53)
Total	2,536.29	93.07	191.46	2,437.90	212.90	181.89	1,531.67	906.23
Previous year	(2,536.29)	-	-	(1,309.25)	(191.41)	-	(1,500.66)	(1,035.63)
Intangible assets								
Computer Software	158.15 (158.15)	-	-	158.15 (158.15)	-	-	158.15 (158.15)	-
Total	158.15	-	-	158.15	-	-	158.15	-
Previous year	(158.15)	-	-	(158.15)	-	-	(158.15)	-

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

	As at 31 March, 2023 Rupees in lakhs	As at 31 March, 2022 Rupees in lakhs
Note 13 - Deferred tax asset (net)		
A. Tax effect of items constituting deferred tax assets		
a. Provision for compensated absences and gratuity	100.98	92.75
b. Disallowances under section 40(a)(i)(a) of the Income Tax Act	1.58	1.47
c. Difference between book balance and tax balance of property, plant and equipment	25.74	22.37
Deferred tax asset (net)	128.30	116.59
Note 14 - Long-term loans and advances (Secured, considered good)		
(a) Loans to others (see note (i) below)	105.97	-
	105.97	-
(Unsecured, considered good)		
(a) Security deposits	123.87	64.08
(b) Advance Income Tax (net of provision for tax Rs.237.32 lakh; previous year Rs. 195.30 lakh)	88.79	23.51
	318.63	87.59

Note:

- (i) During the current year, the Company has granted a loan of Rs 200 lakhs to one of its vendor to set up a milk processing facility at location suggested by the Company. The loan is repayable in 36 equal monthly installments. The loan carries interest at the rate of 8% per annum. The loan granted is secured by hypothecation of the vendor's land.

Note 15 - Inventories

(At lower of cost and net realisable value)

(a) Stock-in-trade:		
(i) Raw milk	90.78	63.09
(ii) Raw milk in transit	209.04	93.64
(iii) Cattle feed and others	117.72	149.07
(iv) Milk products	890.04	176.09
	1,307.58	481.89
(b) Stores and spares	293.82	243.56
	1,601.40	725.45

Note 16 - Trade receivables

(Unsecured, considered good)

(a) Outstanding for a period more than six months from the date they were due for payment	133.35	7.63
(b) Others	1,445.62	10,694.66
	1,578.97	10,702.29

Trade Receivables ageing schedule as at 31st March,2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	1,539.27	36.07	2.86	0.02	0.75	1,578.97
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
	1,539.27	36.07	2.86	0.02	0.75	1,578.97

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

As at 31 March, 2023
Rupees in lakhs

As at 31 March, 2022
Rupees in lakhs

Trade Receivables ageing schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	10,694.54	5.70	0.02	1.69	0.34	10,702.29
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
	10,694.54	5.70	0.02	1.69	0.34	10,702.29

Note 17 - Cash and cash equivalents

(a) Cash on hand	-	0.05
(b) Balance with banks:		
(i) In current accounts	3,191.82	3,487.26
Cash and cash equivalents as per AS 3 - Cash flow statement	3,191.82	3,487.31
(c) Other bank balances		
(i) In earmarked accounts		
- Unpaid dividend accounts	8.29	10.16
(ii) In deposit accounts		
- original maturity of more than 3 months but upto 12 months	1,300.00	1,200.00
	4,500.11	4,697.47

Note 18 - Short - term loans and advances

(Secured, considered good)		
(a) Loans to others (see note 14)	63.92	-
	63.92	-
(Unsecured, considered good)		
(a) Advances to employees	-	3.14
(b) Prepaid expenses	40.87	43.47
(c) Advances to vendors	145.91	119.82
	250.70	166.43

Note 19 - Other current assets

(Unsecured, considered good)		
(a) Interest accrued on bank deposits	28.01	22.55
(b) Grant receivable (see note 34)	93.07	-
	121.08	22.55

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

	As at 31 March, 2023 Rupees in lakhs	As at 31 March, 2022 Rupees in lakhs
Note 20 - Revenue from operations		
(a) Sale of products (See note (i) below)		
(i) Gross Sale	93,859.89	71,469.84
(ii) Less: Sale to third party i.e milk processor for repurchase (see note (i) below)	562.48	956.21
(iii) Net Sales (see note (ii) below)	93,297.41	70,513.63
Note		
(i) This represents sales made to third party for processing and packaging of milk and milk products which is re-purchased from them for sale to customers.		
(i) Sale of products comprises:		
a. Traded goods		
(i) Raw milk	75,970.25	57,008.06
(ii) Polypack milk and milk products	12,957.50	10,046.05
(iii) Cattle feed and others	4,369.66	3,459.52
	93,297.41	70,513.63
Note 21 - Other income		
(a) Interest income		
(i) On deposits with banks	140.74	93.26
(ii) On others	14.57	-
(b) Other non-operating income		
(i) Membership fees	9.50	10.21
(ii) Liabilities/provisions no longer required written back	19.44	19.18
(iii) Recovery of transportation charges	85.03	11.21
(iv) Profit on sale of property, plant and equipment (net)	4.54	2.95
(v) Income from sale of scrap	14.47	14.00
(vi) Miscellaneous income	40.62	21.37
	328.91	172.18
Note 22: Cost of materials consumed		
(a) Raw milk for bulk supply	71,363.81	51,683.98
(b) Raw milk and packing material for polypack milk and milk products	11,221.20	8,365.06
(c) Cattle feed and others	3,903.94	3,065.24
	86,488.95	63,114.28
Note 23 - Changes in inventories of stock-in-trade		
(a) Inventories at the beginning of the year	481.90	316.22
(b) Inventories at the end of the year	1,307.58	481.90
Net increase/(decrease)	(825.68)	(165.68)
Note 24 - Employee benefits expense		
(a) Salaries and wages	1,019.85	918.87
(b) Contribution to provident fund (See note 31)	68.81	60.61
(c) Gratuity expense (See note 31)	16.49	40.69
(d) Staff welfare expenses	102.10	70.01
	1,207.25	1,090.18

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

	As at 31 March, 2023 Rupees in lakhs	As at 31 March, 2022 Rupees in lakhs
Note 25 - Finance costs		
(a) Interest expense on:		
(i) Term loans	-	6.96
(ii) Bill discounting	129.71	558.62
(b) Interest on delayed payment of income tax	0.60	4.29
(c) Bank Charges	3.24	2.73
	133.55	572.60
Note 26 - Other expenses		
(a) Consumption of stores and spare parts	490.47	628.44
(b) Power and fuel	360.62	229.60
(c) Rent	138.13	246.60
(d) Repair and maintenance - machinery	156.52	74.58
(e) Repair and maintenance - others	102.27	90.94
(f) Rates and taxes	71.99	31.61
(g) Freight, forwarding and distribution expenses	2,258.22	1,863.12
(h) Contractual staff wages	370.55	468.17
(i) Advertisement and promotion expenses	718.64	675.43
(j) Legal and professional fees	364.73	158.87
(k) Corporate social responsibility expenses	10.41	-
(l) Auditor's remuneration (see note (i) below)	21.34	19.30
(m) Travelling and conveyance	188.70	145.31
(n) Loss on discard of property, plant and equipment	-	130.29
(o) Bad debts written off	0.09	3.72
(p) Miscellaneous expenses	237.23	190.42
	5,489.91	4,956.40
Note:		
(i) Auditors' remuneration comprises:		
a. Statutory audit fee	14.47	13.40
b. Tax audit fee	2.54	2.35
c. Out of pocket expense	1.27	0.72
d. GST on above	3.06	2.83
	21.34	19.30
(ii) Details of corporate social responsibility expenditure:		
a. Amount required to be spent by the Company during the year	10.41	-
b. Actual amount spent during the year:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2.63	-
	2.63	-
(iii) Amount transferred to Unspent CSR Account*	7.78	-
(iv) Excess amount spent during the financial year	-	-
(v) Set Off available for succeeding financial years	-	-
(vi) Nature of CSR activities **	-	-
* The Company subsequent to the year end has transferred unspent amount of Rs 7.78 lakhs towards ongoing project as at 31 March, 2023 into a separate Unspent CSR Account.		
** Programm on beat plastic pollution and energy conservation.		

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

	As at 31 March, 2023 Rupees in lakhs	As at 31 March, 2022 Rupees in lakhs
Note 27 - Contingent liabilities and commitments (to the extent not provided for)		
A. Contingent Liabilities	Nil	Nil
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	270.88	301.84

Note 28:

The Company had received share application money of Rs. 49.78 lakh as at 31 March, 2023 against which allotment has been made for Rs. 49.69 lakh at the Board Meeting held on 27 May, 2023 and Rs. 0.02 lakh refunded. The balance amount of Rs. 0.07 lakh will be allotted in subsequent board meeting. The shares were allotted within the period specified in the share application form.

Note 29:

In respect of the year ended 31 March, 2023, the directors in their meeting dated 3 September, 2023 have proposed a final dividend of Rs. 178.38 lakh (Rs. 6 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.

Note 30 - Employee benefit plans:

Defined-Contribution Plans

The Company makes contributions to Provident Fund and Pension Fund for all employees, which are defined contribution plans. Under the schemes, the Company is required to contribute at a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company are at rates specified in the Employees Provident Fund and Miscellaneous Provisions Act 1952.

The Company has recognised Rs.68.81 lakh (Previous year Rs. 60.61 lakh) 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 regular 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:

	31 March, 2023 Rupees in lakhs	31 March, 2022 Rupees in lakhs
i. Change in defined benefit obligation		
Present value of obligation at the beginning of year	137.05	109.42
Current service cost	24.77	26.09
Interest cost	9.73	7.55
Actuarial (gain)/loss	(18.02)	7.05
Benefit paid	(5.91)	(13.06)
Present value of obligations at the end of the year	147.62	137.05
ii. Amount recognised in the Balance Sheet		
Present value of defined benefit obligations	147.62	137.05
Fair value of plan assets	-	-
Net liability recognised in the balance sheet	147.62	137.05
iii. Expense recognised in the Statement of Profit and Loss		
Current service costs	24.77	26.09

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

Interest cost	9.73	7.55
Net actuarial (gain)/ loss recognized during the year	(18.02)	7.05
Expense recognized in the Statement of Profit and Loss	16.48	40.69
iv. Balance Sheet reconciliation		
Net liability at the beginning of the year	137.05	109.42
Benefit paid	(5.91)	(13.06)
Expense as above	16.48	40.69
Net liability at the end of the year	147.62	137.05
v. Principal actuarial assumptions		
Discount rate	7.40 % p.a	7.10 % p.a
Expected salary escalations	10.00% p.a.	10.00% p.a.
Expected return on plan assets	N.A	N.A
Attrition rate:	16.00%	4.18%
Mortality table used	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

The discount rate is based on prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of 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				
vi. Experience adjustment	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Present value of DBO*	147.63	137.05	109.42	90.40	58.19
Fair value of plan assets	-	-	-	-	-
Net Present value of DBO	147.63	137.05	109.42	90.40	58.19
(Gain)/loss on obligations	(18.02)	7.05	-4.76	8.48	1.67

* The amount of present value of defined benefit obligation is unfunded.

vii. Actuarial assumptions for compensated absences;

Actuarial assumptions used for valuation of liability for compensated absences are same as (v) above.

Note 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 the Gazette of India, however, the date on which the Code will come into effect is yet to be 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.

Note 32 - Leasing arrangements

The Company has entered into operating lease arrangements for office premises for a period of six years ending on 31 August, 2026. The lease rental expenses of Rs.138.13 lakh (previous year Rs. 246.60 lakh) 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.

Particulars	Unit	Year ended 31 March, 2023	Year ended 31 March, 2022
Note 33 - Earnings per share			
Net profit after tax	Rupees in lakhs	401.97	581.73
Weighted average number of equity shares outstanding during year	Numbers	27,37,030	23,98,683
Nominal Value of Equity Shares	Rupees	100.00	100.00
Basic Earnings per Share	Rupees	14.69	24.25
Equity shares used to compute diluted earnings per share	Numbers	27,37,161	23,98,793

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

Diluted Earnings per Share	Rupees	14.69	24.25
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Note No. 34 - Details of grants

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Details of grants received and its utilisation is as under:	-	-
(a) Opening Balance	-	-
(b) Utilised during year	-	-
(i) For Property, plant and equipments (See note below)	93.07	-
(c) Balance carried forward (a-b)	(93.07)	-

During the current year, the Company has entered an agreement with third party which has agreed to provide a grant Rs.202.28 lakhs to the Company for developing dairy value chain in certain districts of Tamilnadu. The grant shall be utilised in accordance of the conditions set out in the agreement. Pursuant to this agreement, the Company has incurred an amount of Rs 93.07 lakhs during the financial year ended 2022-23 for purchase of certain items of Property, Plant and equipment.

As at 31 March 2023, third party has not paid the amount incurred by the Company and the same as reflected Grant receivable (Note 19).

35. The Ratios for the year 31 March 2023 and 31 March 2022 are as follows:

S. No	Ratio Analysis	Basis of Computation	31-Mar-22	31-Mar-21	Variance (%)
1	Current ratio (times) (see note. A)	Current Assets/Current Liabilities	1.55	1.21	28.10
2	Debt-Equity ratio (times) (see note. B)	Total Debt(1)/ Shareholder's Equity	0	2.18	(100.00)
3	Debt service coverage ratio (times) (see note. C)	Earnings available for debt services(2)/Debt Service(3)	9.48	2.95	221.36
4	Return on equity Ratio (%) (see note. D)	Profit after tax/Average shareholder's equity(4)	8.93	15.25	(41.44)
5	Inventory turnover ratio (times) (see note. E)	Revenue from operations/Average inventory(5)	104.27	176.7	(40.99)
6	Trade receivable turnover ratio (times) (see note. F)	Revenue from operations/Average trade receivable(6)	15.19	8.77	73.20
7	Trade payable turnover ratio (times)	Purchase of traded goods/Average trade payable(7)	22.36	19.06	17.31
8	Net capital turnover ratio (times)	Revenue from operations/Average working capital(9)	32.57	27.2	19.74
9	Net profit ratio (%) (see note. G)	Profit after tax/Revenue from operations	0.43	0.82	(47.56)
10	Return on capital employed (%) (see note. H)	EBIT(10)/Capital employed(11)	16.11	9.88	63.06
11	Return on Investment (12)	Dividend Income/Average investment	NA	NA	-

Explanation:

- 1 Total Debt = Short term Borrowing
- 2 Earnings available for debt services (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
- 5 Average inventory (excluding stores and spares) = (opening inventories (excluding stores and spares) + closing inventories (excluding stores and spares))/2
- 6 Average trade receivable = (opening trade receivables + closing trade receivables)/2

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

- 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 ± Deferred Tax liability/asset
 12 No investments made by the Company. Hence, this ratio is not applicable.

Notes:

- A During the current year, current liabilities has decreased by Rs. 8,242 lakhs as compared to previous year. This has resulted in an improvement in the ratio.
 B During the current year, short term borrowings reduced to Nil as compared to previous year. This has resulted in an improvement in the ratio.
 C During the current year, earnings available for debt services has decreased by Rs. 425 lakhs and debt service i.e. finance cost has decreased by Rs. 440 lakhs as compared to previous year. This has resulted in an improvement in the ratio.
 D During the current year, profit after tax has decreased by Rs. 180 lakhs as compared to previous year. This has resulted in a decline in the ratio.
 E During the current year, inventories increased by Rs. 876 lakhs while revenue from operations has increased by Rs. 22,784 lakhs as compared to previous year. This has resulted in a decline in the ratio.
 F During the current year, revenue from operations increased by Rs. 22,784 while average trade receivables decreased by Rs. 9,123 lakhs as compared to previous year. This has resulted in an improvement in the ratio.
 G During the current year, profit after tax has decreased by Rs. 180 lakhs while revenue from operations has increased by Rs. 22,784 lakhs as compared to previous year. This has resulted in decline in the ratio.
 H During the current year, earnings before interest and tax has decreased by Rs. 758 lakhs while capital employed has decreased by Rs. 8,507 lakhs as compared to previous year. This has resulted in an improvement in the ratio.

Note No. 36 - Relationship with struck off companies

31 March 2023

Rupees in Lakhs

Name of Struck off Company	Nature of transactions	Relationship with the Struck off company	Number of transactions during the year	Balance outstanding as at 31 March 2023
Ascribe Ads And Marketing Private Limited	Payable	Vendor	-	0.09

31 March 2022

Rupees in Lakhs

Name of Struck off Company	Nature of transactions	Relationship with the Struck off company	Number of transactions during the year	Balance outstanding as at 31 March 2023
Ascribe Ads And Marketing Private Limited	Payable	Vendor	1	0.09

Note No. 37 - Related party disclosures

A. Name of the related party and nature of relationship

Nature of Relationship	Name of person
Key Management Personnel:	Mr. Jayatheertha Chary Chief Executive

B. The nature and volume of transactions during the year with the above related party are as follows:

Nature of transactions	Amount (Rupees in lakhs) 2022-23
Managerial remuneration	
Mr. Jayatheertha Chary	60.35
Figures in brackets represents previous year figures	(55.88)

Note No. 38 - Segment Reporting

The disclosures as required under Accounting Standard AS-17 on Segment reporting are not required as the Company

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

Notes forming part of the Financial Statements

primarily deals in single business segment of Milk and Milk Products and operates in one geographical area.

Note No. 39 - Disclosures required under section 22 of the micro, small and medium enterprise development Act, 2006

	As at 31 March, 2023	As at 31 March, 2022
	Rupees in lakhs	Rupees in lakhs
Micro and Small Enterprises		
(a) Total outstanding at end of each accounting year to micro enterprises and small enterprises		
(i) the principal amount remaining unpaid	2.33	59.26
(ii) interest due thereon	-	-
(b) Payments made to suppliers beyond the appointed day during the year accounting year	-	-
(i) the principal amount	-	-
(ii) interest due thereon	-	-
(c) Interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) Interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note No. 40

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.

Note No. 41

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

In terms of our report attached
For **S.B. BILLIMORIA & CO.LLP**
Chartered Accountants

Sreedevi Kuntapalli
Chairman
DIN : 06881611

Jayatheertha Chary
Director & Chief Executive
DIN : 07709827

Chandrakala Tamatapalli
Director
DIN : 09730332

Jitendra Agarwal
Partner

N. Amarendra Babu
Company Secretary
Membership No:A18924

N.Rajesh
Head Finance & Accounts

Place: Gurugram
Date: 03rd September 2023

Place: Tirupati
Date: 03rd September 2023

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

MINUTES OF THE NINTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY THE 30th DAY OF SEPTEMBER 2022 AT BANQUET HALL, SPRINGS HOTEL, 10-128/6-9, NETHAJI NAGAR, SHILPARAMAM ROAD, TIRUCHANOUR BRIDGE CIRCLE, TIRUPATI- 517503 ANDHRA PRADESH AT 11:30 A.M

PRESENT:

- | | |
|----------------------------------|------------------------------|
| 1. Smt. Vijaya Kolla | : Chairman & Shareholder |
| 2. Smt. Usha Avula | : Director & Shareholder |
| 3. Smt. Nirupa Kovi | : Director & Shareholder |
| 4. Smt. Sreedevi Kuntapalli | : Director & Shareholder |
| 5. Smt. Saraswathi Kasireddy | : Director & Shareholder |
| 6. Smt. Thayaramma Madhasi | : Director & Shareholder |
| 7. Smt. Vanasri Naagabusanam | : Director & Shareholder |
| 8. Smt. Saraswathi Sunkara | : Director & Shareholder |
| 9. Smt. Pulikinti Vijayalakshmi | : Director & Shareholder |
| 10. Smt. Kannemma Pakala | : Director & Shareholder |
| 11. Smt. Pupalatha Kaligari | : Director & Shareholder |
| 12. Shri Jayatheertha Chary | : Director & Chief Executive |
| 13. Shri Amarendra Babu Nagasuri | : Company Secretary |

109 Members/Folios holding 6,109 shares and 28,476 proxies representing Members/Folios holding 10,08,220 shares (constituting 37% of total equity shares) were present as per the details in the attendance register.

- A. Smt. Vijaya Kolla, the Chairman took the Chair and upon requisite quorum being present, called the meeting to order.
- B. The Chairman welcomed all the Members and Directors at the Ninth Annual General Meeting (AGM) of the Company. Thereafter, she commenced the proceeding of meeting by reading Values, Mission & Vision of the Company.
- C. Thereafter, the Chairman in her speech briefed about the operations of the Company during the FY 2021-22 and activities to be carried out by the Company.
- D. Thereafter, the Chairman advised the Company Secretary to proceed further to transact the business set out in the notice of the Ninth Annual General Meeting.
- E. Shri Amarendra Babu Nagasuri, the Company Secretary stated that, the required statutory registers have been kept open at the entrance of the meeting hall for inspection by the Members.
- F. The notice convening the Ninth Annual General Meeting of the Company, having been previously circulated to the Members, was taken as read with the consent of all the Members present.
- G. Thereafter, the following agenda items as per notice dated 08th September, 2022 convening the meeting were taken up for consideration.

The meeting transacted the following businesses:

Ordinary Business:

1. **To receive, consider and adopt the audited Balance Sheet as at 31st March 2022 and the Profit and Loss Account for the period ended on that date and the Directors' and Auditors' report thereon and in this regard to pass the following resolution as an Ordinary Resolution:**

The Company Secretary read out the Auditors' Report on accounts for the year ended 31st March 2022.

- 1.1 Smt. Rayalacheruvu Saritha (Folio No.: 0073362) proposed the following resolution as an Ordinary Resolution:

RESOLUTION NO.: 01/9th AGM:30.09.2022/2022-23

"RESOLVED THAT the Audited Balance Sheet, the Profit and Loss Account, cash flow statement for the period ended as at 31st March 2022 together with schedules and notes forming part thereof and the Directors' and Auditors' report of the Company as approved by the Board of Directors, be and are hereby adopted."

Smt. N Anuradha (Folio No.: 0064296) seconded the resolution.

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

2. To consider and declare the limited return (dividend) on share capital of the Company and in this regard to pass the following resolution as an Ordinary Resolution:
- 2.1 Smt. N Vijaya (Folio No.: 0104001) proposed the following resolution as an Ordinary Resolution:
RESOLUTION NO.: 02/9th AGM:30.09.2022/2022-23
“RESOLVED THAT the limited return (dividend) on share capital at the rate of Rs. 7/- (Rupees Seven only) per equity share out of the current profits of the period ended 31st March 2022] on 25,84,641 equity shares of Rs.100/- each fully paid up absorbing Rs. 1,80,92,487/- for the Financial Year 2021-22 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 31st March 2022.”
Smt. Kancharla Jyothi (Folio No.:0086148) seconded the resolution.
The Chairman then put the motion to vote and on show of hands declared the same as carried unanimously.
3. To appoint a director in place of Smt. Vijaya Kolla (DIN:07078378), representing “Class - A” on the Board of Directors who retire by rotation and in her place to appoint Smt. Hemalatha Marupudi (DIN:06893300) representing “Class - A” to ensure class representation of members on the Board based on patronage criteria and in this regard pass the following resolution as an Ordinary resolution:
- 3.1 Smt. Putta Rajani (Folio No.: 0123212, Class - A) proposed the following resolution as an Ordinary Resolution:
RESOLUTION NO.: 03/9th AGM: 30.09.2022/2022-23
“RESOLVED THAT Smt. Vijaya Kolla (DIN:07078378), representing “Class - A” on the Board of Directors, who retires by rotation and in terms of Article 9.6 (iii) of Articles of Association of the Company, not being eligible for re-appointment and in her place Smt. Hemalatha Marupudi (DIN:06893300), representing “Class - A” of the members of the Company, be and is hereby appointed as Director in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (together with any statutory modification or re-enactment thereof for the time being in force), whose period of office shall be liable to retire by rotation.”
Smt. V. Devi (Folio No.:0010335, Class - A) seconded the resolution.
Thereafter, 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 carried unanimously
4. To appoint a director in place of Smt. Nirupa Kovi (DIN: 08211285), falling under “No Class” on the Board of Directors who retire by rotation and in her place to appoint Smt. Chandrakala Tamatapalli (DIN:09730332) representing “Class - A” to ensure class representation of members on the Board based on patronage criteria and in this regard pass the following resolution as an Ordinary resolution:
- 4.1 Smt. Kethamreddy Kavitha (Folio No.:0085891, Class - A) proposed the following resolution as an Ordinary Resolution:
RESOLUTION NO.: 04/9th AGM:30.09.2022/2022-23
“RESOLVED THAT Smt. Nirupa Kovi (DIN: 08211285), falling under “No Class” on the Board of Directors, who retires by rotation and in terms of Article 9.6 (iii) of Articles of Association of the Company, not being eligible for re-appointment and in her place Smt. Chandrakala Tamatapalli (DIN:09730332), representing “Class - A” of the members of the Company, be and is hereby appointed as Director in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (together with any statutory modification or re-enactment thereof for the time being in force), whose period of office shall be liable to retire by rotation.”
Smt. P Mamatha (Folio No.:0111635, Class - A) seconded the resolution.
Thereafter, 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 carried unanimously.

5. To appoint a director in place of Smt. Saraswathi Kasireddy (DIN:08540593), falling under “No Class” on the Board of Directors who retire by rotation and in her place to appoint Smt. Girija Gonappa (DIN:09731179) representing “Class - B” to ensure class representation of members on the Board based on patronage criteria and in this regard pass the following resolution as an Ordinary resolution:

- 5.1 Smt. A Sridevi (Folio No.:0040196, Class - B) proposed the following resolution as an Ordinary Resolution:

RESOLUTION NO.: 05/9th AGM:30.09.2022/2022-23

“RESOLVED THAT Smt. Saraswathi Kasireddy (DIN:08540593), falling under “No Class” on the Board of Directors, who retires by rotation and in terms of Article 9.6 (iii) of Articles of Association of the Company, not being eligible for re-appointment and in her place Smt. Girija Gonappa (DIN:09731179), representing “Class - B” of the members of the Company, be and is hereby appointed as Director in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (together with any statutory modification or re-enactment thereof for the time being in force), whose period of office shall be liable to retire by rotation.”

Smt. Degala Dharmaveni (Folio No.:0019604, Class - B) seconded the resolution.

Thereafter, 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 carried unanimously

6. To consider and approve the Budget of the Company for the Financial Year 2022-23 and in this regard to pass the following resolution as an Ordinary Resolution:

- 6.1 Smt. V Rajeswari (Folio No.: 0049044) proposed the following resolution as an Ordinary Resolution

RESOLUTION NO.: 06/9th AGM:30.09.2022/2022-23

“RESOLVED THAT the Budget of the Company for the FY 2022-23 as laid before the meeting be and is hereby approved.”

Smt. S Chittemma (Folio No.:0044224) seconded the resolution.

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

Special Business:

7. To consider and approve alteration in the Memorandum of Association of the Company to increase authorized share capital and in this regard to pass the following resolution as an Ordinary Resolution:

- 7.1 Smt. N Haritha (Folio No.: 0152620) proposed the following resolution as an Ordinary Resolution

RESOLUTION NO.: 07/9th AGM:30.09.2022/2022-23

“RESOLVED THAT pursuant to the relevant provisions of the Companies Act 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 30,00,00,000/- (Rupees Thirty Crore only) consisting of 30,00,000 (Thirty Lakh) Equity Shares of Rs.100/- (Rupees Hundred) each to 40,00,00,000/- (Rupees Forty Crore only) consisting of 40,00,000 (Thirty Forty Lakh only) Equity Shares of Rs.100/- (Rupees Hundred) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause VI thereof by the following new Clause VI as under:

VI. The Authorised share capital of the Company is Rs.40,00,00,000 (Rupees Forty Crore only) divided into 40,00,000 (Forty Lakh only) equity shares of Rs.100/- (Rupees One Hundred each).

RESOLVED FURTHER THAT the Chief Executive and the Company Secretary of the Company be and are hereby severally authorised to file necessary forms with the Registrar of Companies and do all such acts, deeds, matters and things and to sign and execute all such documents as may be necessary to give effect to this resolution.”

Smt. Setty Lakshmi (Folio No.: 0059969) seconded the resolution.

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

8. To consider and approve the alterations in the Articles of Association of the Company and if thought fit, to pass with or without modification(s) following resolution as Special Resolution:

8.1 Smt. N Soundarya (Folio No.: 0081594) proposed the following resolution as Special Resolution

RESOLUTION NO.: 08/9th AGM:30.09.2022/2022-23

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

(A) The existing Article 4.3. iii. be altered/modified and shall be read as under:

4.3 iii. 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 her email ID registered with the Company and be deemed to be served on the day of sending email to Member.

(B) The existing Article 9.13 be altered/modified and shall be read 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.

RESOLVED FURTHER THAT the Chief Executive or the Company Secretary of the Company be and are hereby authorised to file necessary forms with the Registrar of Companies and do all such acts, deeds, matters and things and to sign and execute all such documents as may be necessary to give effect to this resolution.”

Smt. Bandi Nirmala (Folio No.: 0075098) seconded the resolution.

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

9. There being no other business, the meeting concluded with a vote of thanks to the Chair by Shri Amarendra Babu Nagasuri, Company Secretary of the Company.

Place: Tirupati

Date: 08th October 2022

Chairman

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED
Budget for Financial Year 2023-24

(A) Revenue Budget

(Rupees in lakh)

Sr. No	Particulars	Amount
(A)	INCOME:	
	Total Income	1,19,623.00
	EXPENSES:	
	Variable Expenses	1,14,519.00
	Sales and Distribution Expenses	487.00
	Fixed Expenses	3982.00
(B)	Total Expenses	1,18,988.00
(C)	Profit Before Tax (A-B)	635.00
(D)	Corporate Tax	159.82
(E)	Profit After Tax (C-D)	475.18

(B) Capital Budget

(Rupees in lakh)

Sr. No	Particulars	Amount
1	BMCU Machinery, Equipment, DPMCU & AMCU etc	3,110.19
2	Coolers, Kiosks, Vending Machines & Crates	1,142.21
3	Software, Business Applications, Laptops, Desktops & Printers etc.	167.50
4	Laboratory equipment for BMCUs/IMCUs and Lab	109.50
5	Training Room Furniture, Office equipment & Storage etc.	115.00
6	Sweets & Other VADP equipment	40.00
	Total	4,684.40

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

(CIN: U01403AP2014PTC094771)

Regd. Office: 3rd & 4th Floors, Bachala Towers, Plot No. 29 & 30, S.G.S. Arts College Road, New Indira Nagar, Tirupati - 517501, A.P.

NOTICE

Notice is hereby given that the 10th Annual General Meeting of the members of Shreeja Mahila Milk Producer Company Limited will be held on Saturday, the 30th September, 2023 at Mini-Auditorium, College of Dairy Technology, Besides ALPD Office, Near Diamond Jubilee Statue, Sri Venkateswara Veterinary University, Tirupati, Andhra Pradesh-517502 at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2023 and the Profit and Loss Account for the period ended on that date and the Directors' and Auditors' report thereon and in this regard to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Balance Sheet, the Profit and Loss Account, cash flow statement for the period ended as at 31st March, 2023 together with schedules and notes forming part thereof and the Directors' and Auditors' report of the Company as approved by the Board of Directors, be and are hereby adopted.”

2. To consider and declare the limited return (dividend) on share capital of the Company and in this regard to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the limited return (dividend) on share capital at the rate of Rs. 6/- (Rupees Six only) per equity share out of the current profits for the period ended 31st March, 2023 on 29,73,135 equity shares of Rs.100/- each fully paid up absorbing Rs. 1,78,38,810/- for the Financial Year 2022-23 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 31st March 2023.”

3. To appoint a director in place of Smt. Saraswathi Sunkara (DIN:08903045), representing “Class - C” on the Board of Directors who retire by rotation and in her place to appoint Smt. Varalakshmi Mummareddy (DIN: 10310742) representing “Class - A” to ensure class representation of members on the Board based on patronage criteria and in this regard pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Smt. Saraswathi Sunkara (DIN:08903045), representing “Class- C” on the Board of Directors, who retires by rotation and in terms of Article 9.6 (iii) of Articles of Association of the Company, not being eligible for re-appointment and in her place Smt. Varalakshmi Mummareddy (DIN: 10310742), representing “Class - A” of the members of the Company, be and is hereby appointed as Director in terms of Article 9.6 and other relevant articles of the Articles of Association of the Company and applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (together with any statutory modification or re-enactment thereof for the time being in force), whose period of office shall be liable to retire by rotation.”

4. To consider and appoint a Director in place of Smt. Vijayalakshmi Pulikinti (DIN: 08902806) representing “Class B” on the Board of Directors, who retires by rotation and in this regard pass the following resolution as an **Ordinary Resolution**

RESOLVED THAT Smt. Vijayalakshmi Pulikinti (DIN: 08902806) on the Board of Directors who retires by rotation and in terms of Article 9.6 (iii) of Articles of Association of the Company being eligible for re-appointment be and is hereby re-appointed as Director in terms of Article 9.6 of the Articles of Association of the Company and as per the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (together with any statutory modification or re-enactment thereof for the time being in force) whose period of office shall be liable to retire by rotation

5. To consider and appoint a Director in place of Smt. Thayamma Madhasi (DIN: 08905157) representing “Class C” on the Board of Directors, who retires by rotation and in this regard pass the following resolution as an **Ordinary Resolution**

RESOLVED THAT Smt. Thayamma Madhasi (DIN: 08905157) on the Board of Directors who retires by rotation and in terms of Article 9.6 (iii) of Articles of Association of the Company being eligible for re-appointment be and is hereby re-appointed as Director in terms of Article 9.6 of the Articles of Association of the Company and as per the provisions of Section 152 and other applicable provisions, if

any, of the Companies Act, 2013 and rules framed there under (together with any statutory modification or re-enactment thereof for the time being in force) whose period of office shall be liable to retire by rotation.”

6. To consider and appoint Smt. Reddamma Patakula Seenappa (DIN: 09799061) as a Director representing “Class B” in this regard pass the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** Smt. Reddamma Patakula Seenappa (DIN: 09799061) who was appointed as an Additional Director of the Company w.e.f., 02/12/2022 be and is hereby appointed as Director in terms of provisions of Section 152, 161, 378P of the Companies Act, 2013 any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (together with any statutory modifications or re-enactment thereof for the time being in force) whose period of office shall be liable to retire by rotation.”

7. To consider and approve the Budget of the Company for the Financial Year 2023-24 and in this regard to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT the Budget of the Company for the FY 2023-24 as laid before the meeting be and is hereby approved.

By order of the Board of Directors

N. Amarendra Babu

Company Secretary

Membership No:A18924

Place: Tirupati

Date: 03rd September 2023

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 INSTEAD OF HERSELF 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 MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED, STAMPED AND SIGNED, AT LEAST 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED HERewith.**
2. Members/Proxies are requested to bring attendance slips sent herewith duly filled in, for attending the meeting. Members may also note that the Notice of the 10th AGM and the Annual Report for 2022-23 will also be available on the Company’s website www.shreejamilk.com.
3. Every member will have only one vote (on show of hands as well as on poll) irrespective of her shareholding or patronage in the Company ***subject to the condition that a member has fulfilled a basic condition*** for voting i.e., she has poured milk for at least 200 days totaling to at least 500 litres in the previous financial year 2022-23. Further, resolutions relating to appointment of Directors as set out in agenda item no. 3 to 6 shall be voted by members of respective class only. Further new members, who were admitted as members of the Company post 31st March 2023, shall not be entitled to voting right at ensuing AGM. **For detail information(s), please read the para “Voting Rights and Attendance at Annual General Meeting” as mentioned at point no. 7 in Directors’ Report of 2022-23.**
4. The following documents are enclosed with this notice:
 - i. The names of candidates for election to the office of Director including a statement of qualifications in respect of each candidate;
 - ii. Minutes of the previous AGM held on 30th September 2022.
 - iii. The audited Balance Sheet as at 31st March, 2023 and Profit and Loss Account for the financial year ended 31st March 2023 together with Reports of the Board of Directors and Auditors thereon are annexed herewith.
 - iv. Budget for the FY 2023-24.
5. The register of Directors’ shareholding maintained as per the provisions of the Companies Act, 2013, Register of Proxies and details of member’s shareholding will be available for inspection by the Members at Annual General Meeting.
6. Limited Return (Dividend) for the period ended on 31st March 2023 will be paid to those Members; whose names appear on the Register of Members as on 31st March, 2023.
7. The Members are hereby informed that pursuant to provisions of Section 124 the Companies Act, 2013 (together with any statutory modification or re-enactment thereof for the time being in force),

if Limited Return (Dividend) is not claimed/encashed within period of 7 years from the date of its declaration, unclaimed amount shall be transferred in Investor Education & Protection Fund. The unpaid dividends that are due to transfer to the Investor Education and Protection Fund (IEPF) are as follows:

Financial Year	Date of Declaration	Tentative date for transfer to IEPF
2015-16	15/09/2016	22/10/2023
2016-17	27/09/2017	03/11/2024
2017-18	29/09/2018	05/11/2025
2018-19	28/09/2019	04/11/2026
2019-20	28/12/2020	03/02/2028
2020-21	30/09/2021	06/11/2028
2021-22	30/09/2022	06/11/2029

During the Financial Year 2022-23 the Company has deposited amount of Rs. 2,50,760/- with Investor Education and Protection Fund Authority member whoever unclaimed / encashed the Limited Return for the financial year 2014-15 declared by the Company.

Members who have not encashed their dividend warrants/not received via electronic transfer pertaining to the aforesaid years may approach the Company, for obtaining payments thereof well before they are due for transfer to the said fund.

8. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days before the date of Annual General Meeting between 11.00 A.M to 3.00 P.M.
9. The member requiring information on accounts or operation of the Company or indenting any query are requested to forward the same to the Company Secretary, at least 7 days prior to the date of meeting, so that the required information can be made available at the meeting to the extent possible.
10. The Members are requested to intimate immediately any change in their registered address along with PIN Code and Mobile number to the Company.
11. The Members who did not fill Nomination form, may collect it from registered office of the Company and deposit there for appointing Nominee.
12. Members are requested to bring their ID cards at AGM venue for their identification purpose.
13. For the speedy delivery of the Annual Report or other document(s) to the member(s) of Company, Member(s) are requested to get register their email ID, if any, with the Company. An email registration form is available on the website of the Company i.e. www.shreejamilk.com under the "Member Corner". Member may download it and after filling and signing it, send the same to Chief Executive/ Company Secretary of the Company.

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, 4, 5 & 6

The Board, on recommendation of the Nominating Committee, recommends the appointment / re-appointment of Smt. Varalakshmi Mummareddy (DIN: 10310742, representing Class A), Smt. Reddamma Patakula Seenappa (DIN: 09799061, representing Class B), Smt. Vijayalakshmi Pulikinti (DIN: 08902806, representing class B) and Smt. Thayaramma Madhasi (DIN: 08905157, representing class C) as Directors of the Company, their details are as mentioned hereunder:

Name:	Varalakshmi Mummareddy	Vijaya Lakshmi Pulikinti	Thayaramma Madhasi	Reddamma Patakula Seenappa
Age:	38	30	53	38
Qualification:	Intermediate	B. Com	Intermediate	B. A
Occupation	Agriculture & Animal Husbandry	Agriculture & Animal Husbandry	Agriculture & Animal Husbandry	Agriculture & Animal Husbandry
Terms and conditions of appointment:	Non-Executive Director, Liable to retire by rotation	Non-Executive Director, Liable to retire by rotation	Non-Executive Director, Liable to retire by rotation	Non-Executive Director, Liable to retire by rotation
Remuneration sought to be paid and last drawn remuneration:	Nil	Nil	Nil	Nil
Date of appointment on Board:	Proposed to be appointed at 10th AGM	Proposed to be Re-appointed at 10th AGM	Proposed to be appointed at 10th AGM	Proposed to be appointed at 10th AGM
Shareholding:	88 Shares	40 Shares	36 Shares	32 Shares
Relation with other Directors and KMP:	Not related	Not related	Not related	Not related
Membership/ Chairmanship of Committees of Board:	Nil	Nil	Stakeholders Relationship Committee	Nil

By order of the Board of Directors
N. Amarendra Babu
Company Secretary
Membership No:A18924

Place: Tirupati
Date: 03rd September 2023

Registered Office:
Shreeja Mahila Milk Producer Company Limited
3rd& 4th Floors, Bachala Towers
Plot No. 29 & 30, S.G.S. Arts College Road
New Indira Nagar, Tirupati - 517501
Andhra Pradesh

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED

(CIN - U01403AP2014PTC094771)

Regd. Office: 3rd & 4th Floors, Bachala Towers, Plot No. 29 & 30, S.G.S. Arts College Road, New Indira Nagar, Tirupati - 517501, A.P.

ATTENDANCE SLIP

Folio No:

Member Code:

I hereby record my presence at the 10th Annual General Meeting of the Shreeja Mahila Milk Producer Company Limited held on Saturday, the 30th September, 2023 at 11.00 A.M. at Mini-Auditorium, College of Dairy Technology, Besides ALPD Office, Near Diamond Jubilee Statue, Sri Venkateswara Veterinary University, Tirupati, Andhra Pradesh- 517502

Name of the Shareholder(s)

Name of Proxy
.....

(In case of proxy attending the meeting)

Signature of the Shareholder/Proxy*

*strike out whichever is not applicable

SHREEJA MAHILA MILK PRODUCER COMPANY LIMITED
(CIN - U01403AP2014PTC094771)

Regd. Office: 3rd & 4th Floors, Bachala Towers, Plot No. 29 & 30, S.G.S. Arts College Road, New Indira
Nagar, Tirupati - 517501, A.P.

PROXY FORM

Folio No:

Member Code:

I.....,residing
at.....
being member of Shreeja Mahila Milk Producer Company Limited, hereby appoint
Ms./Mrs.....having
Folio no.....residing at.....
.....or failing her Ms./Mrs.....
.....having Folio no.....
residing at.....
.....
.....
as my proxy to vote for me and on my behalf at the 10th Annual General Meeting of the Company to be held
on Saturday, the 30th day of September 2023 at 11:00 A.M. at Mini-Auditorium, College of Dairy Technology,
Besides ALPD Office, Near Diamond Jubilee Statue, Sri Venkateswara Veterinary University, Tirupati, Andhra
Pradesh- 517502 or at any adjournment thereof.

Signed this day of September, 2023

Affix
Re. 1/-
Revenue
Stamp

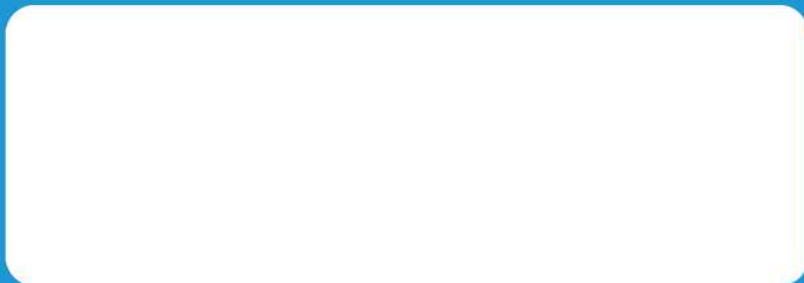
Signature

Note: The proxy form must be returned so as to reach the Registered Office of the Company not less than
48 hours before the time for holding the aforesaid meeting. Proxy need to be a member of the Company



Book - Post

To



If undelivered, Please return to

Shreeja Mahila Milk Producer Company Limited

(CIN : U01403AP2014PTC094771)

3rd & 4th Floors, Bachala Towers

Plot No. 29 & 30, S.G.S. Arts College Road

New Indira Nagar, Tirupati - 517501

Andhra Pradesh, Ph. : 0877-2242173

email : info@shreejamilk.com

www.shreejamilk.com

Toll Free No. : 1800 5322 600





Values: Transparency, Quality in Every Aspect, Innovation, Honesty & Accountability, Trust & Team Work, Passion for Excellence, Goal Driven

Mission: We are committed to benefit our members by providing them competitive price for the milk supplied and services to increase milk productivity as well as reduce cost of milk production.

We are a vibrant Producer Company known for providing quality milk and milk products to consumers, through our committed and motivated employees.

Vision 2025: Shreeja Mahila Milk Producer Company Limited will be among the top 10 Dairy Enterprises in the country.

