


# SARVESHWAR FOODS LIMITED

## THE PRIDE OF JAMMU & KASHMIR

# 19TH ANNUAL REPORT 2022-23

# LETS SAVE THE WORLD WITH
# SARVESHWAR FOODS

**Sarveshwar Foods is on a mission to revolutionize the food industry with its unwavering commitment to sustainability. Our core focus is achieving 0%* wastage, an embodiment of our dedication to environmental preservation.**

**Through innovative rice farming methods, we ensure minimal carbon emissions and a low Glycemic Index (GI) for healthier options. Every part of the rice plant finds purpose :- paddy and husk serve as cattle feed, and rice bran is transformed into valuable rice bran oil. Our vision extends beyond profit, aiming to educate and inspire communities about the significance of responsible consumption and waste reduction. At Sarveshwar Foods we believe that by nurturing our planet we're nurturing ourselves and future generations.**



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# COMPANY'S CORE INFORMATION

**SARVESHWAR FOODS LIMITED**
**CIN: L15312JK2004PLC002444**
**REGISTERED OFFICE: Sarveshwar House, Below Gummat, Jammu-J&K(180001)**
**EMAIL ID: investorrelations@sarveshwarrice.com**
**WEBSITE: www.sarveshwarfoods.com**

## BOARD OF DIRECTORS

**CHAIRMAN**
Mr. Rohit Gupta

**MANAGING DIRECTOR**
Mr. Anil Kumar

**EXECUTIVE DIRECTOR**
Mr. Mahadeep Singh Jamwal
Mr. Harbans Lal

**WHOLE TIME DIRECTOR**
Ms. Seema Rani

**INDEPENDENT DIRECTOR**
Dr. Tej Partap
Dr. Uttar Kumar Padha
Mr. Adarsh Kumar Gupta
Mr. Pradeep Kumar Sharma
Mr. Mubarak Singh

## CHIEF OPERATING OFFICER
Mr. Vishal Narchal

## COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Sadhvi Sharma

## AUDITORS OF COMPANY
**NAME OF FIRM:** K R A & CO., Chartered Accountants
**OFFICE:** H-1/208,Garg Tower, Netaji Subhash Place, Pitampura, New Delhi-11034
**EMAIL ID:** rajat@kra.co.in
**FRN No.**: 020266N

## SECRETARIAL AUDITORS
**NAME OF FIRM**:Aamir Aslam& Associates Company Secretaries
**OFFICE**: 4th Floor Baba Building above Shilton Restaurant, Polo View Residency Road, Srinagar, Kashmir -190001
**MEMBERSHIP No.**: 11759
**CP No.**: 18068

## BANKERS TO THE COMPANY
The Jammu & Kashmir Bank Limited
I/C Bari Brahamana, Samba J&K-181133

# WHO WE ARE ?

### Company Heritage

Sarveshwar Group of Companies has a heritage of 133 years of existence starting in 1890, currently owned and managed by the 4th generation of the family under the able guidance & Chairmanship of Sh. Rohit Gupta.

### 360 Degree Good Karma

At Sarveshwar, the Himalayas are at the center of our philosophy and our work. The Tenets of karma and a satvic lifestyle drive all our efforts. When you consume sarveshwar foods you consume satvic produce-food that has been grown as nature intended it, using the best traditions of centuries-old farming, with the utmost respect for the grain.

### Our Infrastructure & Milling

We Have two state-of-the-art Buhler German Rice milling plants in Jammu with Parboiling Plants, Grain storage Silos, Warehousing capacity of 300000 Sq.Ft. with ultra-modern packaging plants on 24 acres of Land.

**350+**
MT Per Day
Rice Processing &
Packaging Capacity

Team of
**300+**
People

Presence in
**25+**
Countries

**50000+**
Happy Customers
around the world

Available in
**3000+**
Super Stores



# FROM THE CHAIRMAN'S DESK

***Dear Shareholders,***

I'm grateful to reconnect with you to discuss another successful year despite the numerous issues confronting global economies, industries, and communities. As Chairman of Sarveshwar Foods Limited, I believe in a ***MORE BIODIVERSABLE FUTURE BY ENVIRONMENTAL SUSTAINABILITY.*** For future generations, we aim to leave a more pristine and eco-friendly managed Earth. Our entire company has embraced a carbon-focused decision-making process, and we work hard to apply a climate lens to everything we do. We are always striving to reduce our impact on the environment and to help develop cutting-edge solutions that reduce carbon throughout our value chain while providing benefits to stakeholders.

## DRIVING THE TRANSITION TO LOWER-CARBON AGRICULTURE

A future with less carbon emissions is being ushered in by us. This entails lowering our emissions, encouraging eco-friendly supply-chain practices, and expanding our market share in low-carbon regions. Sarveshwar Foods Limited is in a better position than ever to rethink the boundaries of what is achievable thanks to our special vantage point at the heart of the food system. That is exactly what we are doing with the best teams in the world, a successful strategy, strong international alliances, and an unwavering dedication to our cause. Sarveshwar Foods Limited, as an agribusiness, has diversified its supply chains and has successfully moved into new markets to ensure the supply of food and feed. To effectively achieve these objectives of 'farmers to ultimate consumers', our firm has prioritized meeting customer commitments and maintaining worldwide access to essential products as well as growing the finest rice.
Fortunately, tough lessons have not been forgotten, and with this, our company is in progress in developing a sharp focus on the need for sustainability in food and agricultural systems with a long-term impact on economic and population growth. Collectively, farmers, agribusinesses, governments, financial institutions, non-governmental organizations (NGOs), food producers, and consumers must work together to conserve recurring natural resources, preserve native flora, biodiversity, soil health, and minimize greenhouse gas emissions. To effect this shift, new creative concepts should be developed to promote sustainable production and consumption through the development of new items, services, and technology that have the potential to revolutionize food and agricultural production.
To make this change, innovation will be needed to create new goods, services, and technology that have the potential to revolutionize food and agricultural production.

Regulations that encourage sustainable production and consumption will also be necessary. Policies, investments, and developments must work to ensure fair outcomes for all supply chain stakeholders, from the billions of individual end consumers to the millions of smallholder farmers who produce more than a third of the world's food, to ensure access to safe, wholesome, and affordable food for everyone.

Sarveshwar Foods Limited worked with numerous stakeholders and organizations, including the Sarveshwar Smiles Foundation, to advance progress in this regard in 2022 despite new and unprecedented challenges brought on by geopolitical and macroeconomic uncertainty.



**"WE GET READY TO PLAN OUT OUR FUTURE GROWTH TRAJECTORY BASED ON A STRONG COMBINATION OF EXPERIENCE AND ENTHUSIASM."**

# FROM THE CHAIRMAN'S DESK

Sarveshwar Foods Limited continued to invest in transformative innovations and technologies, accelerated supply chain decarbonization efforts, and engaged with thousands of farming communities globally to promote more sustainable agricultural practices.

I'd like to take this chance to thank all of our business partners for their support and partnership in 2022, as well as all of our workers throughout the world for their amazing dedication to Sarveshwar's vital mission and purpose. Collaboration across value chains is more important than ever in the incredibly complex environment. We confront together to discover common solutions to problems and contribute to the global provision of food.

I would like to emphasize that your company worked hard to counteract the headwinds throughout the year, reporting modest volume and earnings growth despite these structural reforms and macroeconomic challenges. It has created a solid basis for influencing the future in the years to come through concerted efforts.

We remain dedicated to doing our part to build a more just and sustainable food system that can withstand the challenges of the world that are changing so quickly, and we invite the other value chain stakeholders to join us in this effort. We believe that cooperation, innovation, and peace are the best ways to achieve this goal.

### *ADVANCEMENTS IN SUSTAINABLE DEVELOPMENT*

Our commitment to achieving zero deforestation and conversion of native vegetation by 2025, which includes criteria that go beyond sectoral roadmaps, as well as significant groundwork by our Carbon Solutions team to measure our greenhouse gas emissions, as a basis for subsequent target-setting and reporting, accelerated our sustainability journey, which is central to our business model and transformation roadmap, in 2022. With increasing volumes of certified rice processed and shipped, several renewable power purchase agreements, and a successful biofuel trial on SARVESHWAR FOODS's first carbon-neutral shipments, among other cutting-edge sustainability projects advanced by our Freight Platform, sustainability, and decarbonization efforts also advanced in specific businesses and regions.

At ***SARVESHWAR*** , we also think that working with farmers is essential to advancing ethical behavior and engendering long-lasting transformation at the core of agricultural supply chains. We introduced a new, five-year sustainability strategy for rice that aims to assist thousands of farmers in our global network in producing certified and verified rice while restoring soil health and reducing climate change through coalition-led investments that support sustainable practices.

We also kept working together on joint initiatives to involve, educate, and empower smallholder farming communities. Many of these projects were done in partnership with the Sarveshwar Smiles Foundation, and they supported regional communities that were connected to our operations and activities around the world, such as our new initiative in India to educate farmers on more sustainable practices.

### *A GOOD GROUP OUTLOOK*

The Group has continued to perform well, and all of these and many other efforts and accomplishments are reflected in the numerous awards and recognitions that our teams received in 2022. I would like to take this opportunity to thank them once more for their exceptional commitment and tenacity. Their professionalism, commitment, and camaraderie allowed SARVESHWAR FOODS to carry on providing for its partners, customers, suppliers, and shareholders in a highly complicated, difficult, and uncertain situation.

Our work does not end here. We must now accelerate the activation of our strategic plans in order to maintain the positive momentum we have established while adapting to the fundamental shifts we see taking place: changing consumer preferences for alternative proteins and healthier diet options, the digitization and disruptive innovation in agriculture and food production, and accelerating developments to address the increasingly urgent need for decarbonization and a more sustainable food system amid global warming.

***Our brilliant teams' capacity to grow, collaborate and accept new ideas and skill sets will be crucial to our success in these initiatives.***

# FROM THE MANAGING DIRECTOR'S DESK



Geopolitical, socioeconomic, and environmental unpredictability in 2022 presented our employees with fresh challenges after handling unheard-of pandemic-related market repercussions since 2020. As always, the safety and wellness of our employees and their families remained our first focus in this situation, along with maintaining the integrity of critical supply networks.

***ESTABLISHING SOLUTIONS TO SIGNIFICANT GLOBAL PROBLEMS***

Our clients and communities can collaborate with Sarveshwar Foods to overcome difficult challenges. Together, we're tackling the most pressing issues facing the globe today, such as climate change, inflation, supply chain disruptions, and increased food insecurity that has spread globally since the beginning of the Russia-Ukraine crisis in February 2022. Supply chain disruptions that followed, subsequent food and energy crises, and worries about a potential global recession have all contributed to a volatile and complex market and operating environment for the majority of SARVESHWAR FOODS's business lines, compounding the effects of intensifying climate challenges and continuing Covid-related effects.

We were led by SARVESHWAR FOODS's purpose to deliver the right products to the right location at the right time while remaining focused on maintaining vital food, feed, fiber, and ingredient supply networks in the face of heavy headwinds.

We continued to keep our employees safe, fulfill our obligations to clients throughout the world, and make progress with our strategic expansion ambitions while securing good financial and operating results this year by leveraging our global network, market insight, and skilled risk and compliance management.

***GROWING FOR CHANGE, CHANGING FOR GROWTH***

We continue to strengthen our core merchandising capabilities at both origin and destination, expand downstream, diversify through value-added products and services, and embrace innovation and digitalization to position our business for the future. Our goal is to strike a balance between strength and leadership in our core business and evolution for long-term relevance.

***ADAPTING FOR GROWTH, CHANGING FOR GROWTH***

In order to, position our business for the future, we continued to strengthen our core merchandising capabilities at both the origin and destination, expand downstream, diversify through value-added products and services, and embrace innovation and digitalization. Our back-end infrastructure, which has been a primary source of strength for our business, has been built and backed throughout the past century with 132 years of experience. We're in a modern manufacturing facility focused on producing goods with specialized uses.
n terms of climate change, we're embracing the chance and duty to drive effective answers.

We're changing the way we fuel the fleets that transport the grain around the world, investing in farmers who are restoring the land our crops rely on, stepping up our efforts to stop deforestation, and assisting our clients in achieving their sustainability goals through our supply chains. We're keeping track of our progress and holding ourselves accountable for getting things done.

# FROM THE MANAGING DIRECTOR'S DESK

Moreover, we strengthened our ties with farmers in particular areas of J&K, UP, Haryana, and Punjab to obtain raw materials. Using sustainable agricultural methods technical support and encouraging the usage of environmentally friendly agricultural techniques to use both the farmer and the digital platform in the Farmer App helps broaden the base of farmers in numerous initiatives. The business owns two processing facilities in Jammu and Kashmir that are USFDA and BRC-approved.

Parallel to this, we kept supporting cutting-edge products, services, and technology that may revolutionize food and agricultural production, promote more effective operations, assist in business decision-making, and create value chains that are more transparent and sustainable.

While this was going on, ongoing digitalization initiatives across the Group continued to strengthen customer relationships and improve commercial and operational decision-making. This was done by improving our service offering through shared data and insights, traceability, customization, and more, as well as by equipping our teams with real-time market, industrial, and sustainability intelligence and analytics.

I want to take this opportunity to thank all of the co-directors on the board and our business partners for their contributions to our ongoing success. I want to express my appreciation to every one of our shareholders for having confidence in us.

***TOWARDS A BETTER TOMORROW***

As we look to the future, we can see the business we have built is well-placed to respond to our consumers wishes to understand where their food comes from, how it is produced, how it is manufactured and packaged and how it is delivered to them.

We are a company of great heritage and traditional values, which is exactly what the modern consumer is looking for.

Our connection with farmers and their production systems has been in place for generations. Our manufacturing capabilities help us meet the evolving needs of our customers. Our products and brands are known and trusted, and we continue to develop and deliver products in formats that are convenient and more accessible for our customers. The history of our organisation and our integrated supply chain, from paddy field to plate, means that we understand the importance of sustainability from an environmental, economic consumer, and community perspective. The performance and priorities of the business demonstrate our capacity to be agile, the ability to change, deal with challenges, and recognise opportunities.

We believe that this would drive Sarveshwar Foods to a better tomorrow as we see transformation across the rice industry value chain and in our capabilities of delivering sustained value to our customers as well as our stakeholders. To conclude, I would like to thank our farmers, distributors and customers for their unwavering faith in Sarveshwar Group.

***I would also like to thank our shareholders, for your continued commitment and support over the years.***




# MAIN BOARD LISTING ON NSE & BSE

***Sarveshwar Foods Limited***, on ***8th December 2022*** marked the commencement of trading of its securities on NSE & BSE Main Board. The Iconic bell-ringing was done by ***Mr. Rohit Gupta, Chairman of Sarveshwar Group*** in a ceremony held at Radisson Blue, Jammu this morning.

The event was graced by Shri R R Bhatnagar (Advisor to the honourable LG), Shri Ravinder Raina,President BJP ( J&K), Shri Mukesh Singh, ADGP (IPS), J&K Police, Shri Dheeraj Gupta, Principal Secretary, Shri KK Sharma, Director-Agriculture, Shri Gaurav Kapoor and other officials from NSE, Shri Surinder Gupta(IPS) , Former IGP Police, Shri Pankaj Gupta, MD Medical Supplies along with certain other dignitaries.

Shri Rohit Gupta, Chairman of Sarveshwar Group of Companies while welcoming the dignitaries elaborated the journey of the Company from a small industrial unit to a NSE & BSE listed company having its business, customers across India as well abroad, with widespread presence across the state through 12 strategically located retail stores, 15 procurement centres and 10 Farmer-Facilitation Centres. He further apprised that the Company has its state-of-the-art plants based on German Technology in Jammu for established for producing best quality of rice, and is having/in the process of establishing export business with world-known business giants like Costco, Walmart, Whole Foods, U.S Foods etc. Shri Bhatnagar, advisor to LG, in his address appreciated the efforts of Sarveshwar Group in getting recoginization at national and international level.

Sarveshwar Food Limited's equity shares were earlier listed at NSE Emerge (SME Platform) through its Initial Public Offer, and now with effect from today i. e. December 8, 2022 it migrated/ listed/being traded at both NSE and BSE Stock Exchanges (Main Boards) with following Scrip Code/Symbol

| Stock Exchange | Scrip Code/Symbol |
|---|---|
| NSE | SARVESHWAR |
| BSE | 543688 |

# MAIN BOARD LISTING ON NSE


















# MAIN BOARD LISTING ON BSE


















# ENVIRONMENTAL SOCIAL GOVERNANCE

In 2022, we continued to fulfill our duty to act as a catalyst for more sustainable food and agricultural production systems, acting to address Group-wide and business-specific environmental, social, and governance issues.

## Insights:

Climate change, decreasing proportion of arable lands, and food shortages are amongst the most difficult challenges of our time. Rice forms a major part of the diet for more than half of the global population. Providing a healthy, affordable, and environmentally friendly diet for a growing population requires a radical yet sustainable transformation of the global food system. To lead this transformation towards a more sustainable future, as a responsible business entity, we must adopt sustainable actions to meet our targets, and we must secure a strong commercial value to make the journey financially sustainable for our farmers.

# E S G

## ENVIRONMENT

### PROTECTING OUR ENVIRONMENT

- Climate Neutrality
- Targeting Reductions
- Positive Influence
- Our Projects

## SOCIAL

### LOOKING AFTER PEOPLE AND COMMUNITIES

- Employee health, safety & Well Being
- Contribution towards society
- Skill Development & Training
- Human Rights & Labour Standards

## GOVERNANCE

### RESPONSIBLE BUSINESS PRACTICES

- Delivering Product Excellence
- Transforming our Supply Chain
- Quality Control

# ENVIRONMENTAL

## CLIMATE NEUTRALITY

Achieving climate neutrality in the rice industry is a significant challenge but an essential goal in the fight against climate change. Rice production is a major agricultural activity that has a considerable impact on greenhouse gas emissions, primarily due to methane (CH4) emissions from rice paddies.
Leading global agribusiness Sarveshwar Foods understands that protecting the natural resources we rely on in our operations to help feed and clothe a growing global population is essential to our long-term success. To this purpose, we encourage partners and stakeholders in the food and agricultural value chains to adopt similar actions while we take steps to cut emissions, water usage, and waste generation in our operations around the world.

## TARGETING REDUCTIONS

At Sarveshwar Foods we understand the importance of achieving climate neutrality in the rice industry which requires a combination of these strategies and collaboration among various stakeholders, including farmers, policymakers, researchers, and the private sector. Additionally, financial incentives and supportive policies can play a crucial role in accelerating the adoption of sustainable practices in the rice sector.

Sarveshwar Foods is working to improve its performance in these key areas:

**1. Improved Rice Cultivation Techniques at Sarveshwar Foods**

We believe in implementing modern and efficient rice cultivation techniques which significantly reduce methane emissions. Alternate wetting and drying (AWD) is one such technique that involves periodic drainage and re-flooding of rice paddies, which can substantially reduce methane emissions while maintaining rice yields.

**2.Methane-Capturing Technologies at Sarveshwar Foods:**

Reducing CO2 reducing emissions by introducing innovative processes, leveraging new technology, and opting for renewable energy sources. By employing methane-capturing technologies we help mitigate emissions from rice paddies. The installation of biogas recovery systems at Sarveshwar Foods helps us to capture and utilize methane emissions for energy generation, reducing the overall greenhouse gas impact.

**3.Water Management at Sarveshwar Foods:**

At Sarveshwar Foods, we are committed to addressing water scarcity and access in our own operations and across our value chains. To this end, we work to promote sustainable water use, minimize operational water usage, protect water resources, and avoid watershed contamination. Since we are aware of the fact that efficient water management in rice paddies is crucial for reducing methane emissions. Avoiding over-irrigation and ensuring proper water distribution is important and help lower methane production.

**4. Climate-Resilient Rice Varieties:**

Sarveshwar Foods is a globally responsible company with a vision for a safe and sustainable future. In order to do this, we are taking steps to minimize energy and electricity usage as well as greenhouse gas emissions from Sarveshwar's own operations and those produced by activities in our value chains. Proper research and development of rice varieties that are more resilient to climate change and require fewer resources, such as water and fertilizers, while maintaining high yields are the operations undertaken by Sarveshwar Foods.

**5. Integrated Farming Systems at Sarveshwar Foods:**

We believe in encouraging integrated farming practices which help in minimizing the environmental impact of rice production. Crop rotation, agroforestry, and incorporating livestock create more sustainable and diversified agricultural systems.

**6. Renewable Energy Sources at Sarveshwar Foods:**

Refining our energy footprint measurements and introducing efficiencies wherever possible to reduce power consumption. Transitioning to renewable energy sources for powering rice mills and other processing facilities can reduce the industry's carbon consumption.

**7.Reducing Post-Harvest Losses at Sarveshwar Foods:**

Implementing measures to reduce post-harvest losses, such as improved storage facilities and transportation, helps to minimize waste and associated emissions.

**8. Sustainable Fertilizer Management at Sarveshwar Foods:**

Optimize fertilizer use to reduce nitrous oxide emissions, another potent greenhouse gas associated with rice production.

**9. Carbon Offsetting and Sequestration at Sarveshwar Foods:**

**I**nvesting in carbon offsetting projects or carbon sequestration practices (e.g., reforestation or afforestation) helps to balance out the remaining emissions.

**10. Education and Training at Sarveshwar Foods:**

Positive transformation is facilitated by educating farmers about the effects of their actions on climate change and by offering training in sustainable agriculture techniques.

## POSITIVE INFLUENCE

Our position as a leading merchant and processor presents both a responsibility and an opportunity when it comes to climate change.
Engaging actively with farmers, suppliers, and partners around the world, we influence and encourage them to adopt sustainable practices and reduce emissions.

- ***Training farmers in sustainable techniques, and providing tools to help them adapt to a changing climate;***
- ***Working with freight industry partners to find efficient product shipping solutions, reducing emissions and costs;***
- ***Advancing toward zero deforestation targets within our palm oil and soy supply chains;***
- ***Promoting sustainable practices throughout our commodity supply chains.***



# ENVIRONMENTAL

## OUR PROJECTS

### "ADOPTION AND CERTIFICATION OF ORGANIC FARMING PROJECT UNDER NAMAMI GANGE/ PKVY SCHEME IN GONDA, SIDHARTH NAGAR AND SANT KABIR NAGAR DISTRICT STATE UTTAR PRADESH"

**MAJOR ACTIVITIES COVERED UNDER THIS PROJECT**

- Manpower Deployment
- Baseline Survey
- Mobilization and Awareness program of the farmers about organic farming
- Registration of the Farmers and Cluster Formation
- Online Registration of Farmers in PGS-India website
- Training of Registered Farmers

**TOTAL PROJECT AREA**

*UTTAR PRADESH*

*District*

| *Sant Kabir Nagar* | *Gonda* | *Sidharth Nagar* |
|---|---|---|
| *15 Villages* | *20 Villages* | *16 Villages* |

### BASELINE SURVEY

Baseline survey has been conducted in different locations of villages of Sant Kabir Nagar, Gonda and Sidharthnagar Block to determine the socio-economic status of the inhabitants and various livelihood options available for the people including agriculture.






### MOBILIZATION AND AWARENESS GENERATION

In order to make farmers aware about the organic farming, mobilization was conducted followed by raising farmers' awareness. Awareness programme has done through village level farmer's group meeting in allotted blocks of project area.






### FARMERS REGISTRATION AND CLUSTER FORMATION

After successful completion of awareness generation programme, registrations of farmers were started during the month of May 2023. **A total of 1618 farmers are registered from 60 clusters with 1231.86 Ha area of land.**




### TRAINING OF REGISTERED FARMERS






To enhance farming skills and to improve the farmers attitudes towards agriculture the different core sessions with other small training were taken up by the experts at both village and cluster levels.

# SOCIAL

## EMPLOYEE HEALTH, SAFETY & WELL BEING

With our workers undertaking a wide range of different tasks such as harvesting, operating heavy machinery and transporting goods inculcating a culture of safety across our entire business is our highest priority as any lapses in health and safety protocols will potentially have an adverse impact on our people as well as our operations. We therefore strive to ensure the health and well-being of our employees, workers and everyone involved in our operations, which is their fundamental right, while ensuring we have a healthy, motivated and productive workforce.

We are reviewing and reissuing the standards under our Integrated Management System (IMS) while developing new guidelines to ensure we can manage emerging risks more effectively. These new guidelines will be supported by leading indicators that are meaningful, easy to measure, and that will improve safety. This will include the implementation of activities, practices and measures including:

Implementation of IMS

- Health Related Sessions
- Training
- Environmental, Health and Safety

### *Yoga Sessions at Factory Premises*







### *Employee Recognition*









**We at Sarveshwar believe in Employee Recognition by awarding them occasionally . We have various programs for our Employees which increases their efficiency and productivity .**








# SOCIAL

## CONTRIBUTION TOWARDS SOCIETY

During last year Sarveshwar inaugurated , Sarveshwar Smiles Foundation which outlines our commitment to Farmers and Women Community of India ensuring their welfare while taking into account the diverse work environments in Sarveshwar.

Our Foundation works on five key focus areas:

**01** **FIND & HELP**

We are in search of opportunities to help as many Farmers as possible. We approach and facilitate all those who are in need.

**02** **PROVIDE CARE**

Today's Farmer need a helpful hand and right guidance at every stage. Here's where we take care of them .

**03** **EDUCATE**

We educate landless Labour for their better Livelihood

**04** **CREATE ENTREPRENUERS**

We provide exposure to rural Women for income related activities















# SOCIAL

## SKILL DEVELOPMENT & TRAINING

### *Collaboration with IIT Jammu*





Sarveshwar Foods Limited as a part of its Corporate Social Responsibility Initiatives for Skill Development and Training facilitated the ***1st Jammu State Conference 2023*** of Jammu chapter of NIRC of Institute of Company Secretaries of India (ICSI) in collaboration with ***IIT Jammu*** conducted today at IIT, Jammu on theme Role of CS in Startup and Entrepreneurship. The conference was chaired by Professor Sh. Manoj Singh Gaur Director, IIT Jammu as Chief Guest and Sh. Rohit Gupta Chairman, Sarveshwar Foods Limited as Guest of Honour and attended by various members of Jammu chapter of ICSI and Promoters / Directors of incubatee companies with IIT, Jammu.

We wish to make a positive impact on our people, environment, customers and the communities that we serve, and accordingly we supported this program, conducted in the collaboration of two premier institutions ICSI and IIT Jammu, which stimulated the much needed impetus for young and aspiring minds of the Jammu Region.





### *Collaboration with IIM Jammu*



IIM Jammu students during their Industry Visit at Sarveshwar Foods Limited as a part of their Curriculum . The Theme followed was Rural and Agriculture Marketing "It was a Great Interaction with the New Minds , Fresh Talent .New people always bring new perspectives and that is helpful in growth.



## HUMAN RIGHTS & LABOUR STANDARDS

We believe our trade is a force for good, creating jobs and opportunities for people and communities across the world. We are committed to ensuring the jobs we create and support are good jobs. It is important that clear standards are upheld on issues such as: working hours, health and safety, no child or forced labour, freedom of association and ensuring that discrimination does not take place.

We have a responsibility to respect the human rights of, and an opportunity to make a difference to, our colleagues, our customers, the communities we operate in and the people who work throughout our supply chain.

# GOVERNANCE

## DELIVERING PRODUCT EXCELLENCE

**Sarveshwar is deeply committed to delivering product excellence by ensuring that we meet the highest standards of product quality and safety. We continue to focus on developing products that contribute to the health and well-being of our consumers, with transparent product marketing and labelling. An important part of our strategy revolves around R&D to continue driving innovation in our business processes, operations and product offerings.**



### Innovation and Technology

We continue to invest in R&D and adopt new technologies to drive innovation.

We currently have in place many projects across our global operations looking into advancing agricultural practices, optimising factory processes, enhancing product quality across various segments as well as better understanding the health benefits of various ingredients through the study of food science.

Innovation and technology play a pivotal role at Sarveshwar Foods, driving product quality and safety advancements. The company's emphasis on robust product marketing and accurate labeling ensures transparency and informed consumer choices. Sarveshwar Foods is dedicated to safeguarding consumer health and well-being by delivering trustworthy, high-quality products.
At Nimbark Organic, responsible sourcing and transformative supply chain practices are core values. We prioritize sustainability by utilizing millet pouches, reducing environmental impact while ensuring product freshness and quality.



# GOVERNANCE

## TRANSFORMING OUR SUPPLY CHAIN

Sarveshwar Foods maintains a robust rice supply chain, focusing on efficiency and quality. The company upholds strong business ethics and compliance standards, fostering transparency and integrity in all operations. Data security and privacy are paramount, with stringent measures in place to safeguard sensitive information and customer data

As one of the world's largest agrifood companies, Sarveshwar is well-positioned to create a lasting influence on our supply chain. Recognising that a significant portion of our environmental and social impact derives from our supply chain instead of our direct operations, it is imperative for us to engage and work closely with our suppliers to make sustainable agriculture and food production a reality.



**Sourcing is done from the original Basmati habitat,where the grain is nurtured by crystal clear Himalayan snowmelt.**



**Each grain is selected carefully by passing it through expert quality benchmarks.**



**The grain is aged and rested in natural conditions to attain the highest levels of uniformity and stability.**



**During the whitening and polishing processes, the bran is removed from brown rice, which increases its shelf life and enhances its appearance. Bühler's whitening and polishing equipment helps us enhance several rice quality parameters and helps attain an excellent rice grain surface by using high yield and hygienic processes for uniform and gentle whitening and intensive cooling.**



**At our steam plant, raw paddy is made to pass through steam that imparts a special colour and aroma. We also have a sella (parboiled) rice plant, where raw paddy is soaked in water for a carefully calibrated period of time, depending on the colour requirements of the customer.**

# QUALITY CONTROL

## INSPECTION

Optical inspection of the grains is undertaken at our rice mill, during which all discoloured grains and chalky kernels are removed, leaving behind only the highest grade of produce. The Bühler Latest Series Sortex is a revolution.

In optical sorting, with features that facilitate the highest sorting efficiency, minimum product loss, sorting capacities to match different needs, and broken rice monitoring.





## HYGIENE AND STORAGE

To ensure complete hygiene and sanitation, all our products are packed and packaged in our fully automated plant with inert gas flushing and vacuum packaging,untouched by human hands. We make sure that our processes retain the natural flavour, freshness and aroma of the rice. Our packing plant is equipped with devices for detection of any metal contamination for ferrous and non-ferrous metals, if any. The packing machinery used is compliant with HACCP and GMP guidelines.

## PACKAGING

Our processing and packaging zones have been constructed in a 2 lac square feet area. The company has a storage capacity of 300,000 square feet, with a milling capacity of over 300 metric tonnes per day.



# CERTIFICATIONS

We are committed to providing the best Basmati rice to connoisseurs around the world. We adhere to the guidelines of ISO 22000:2005. We are in the green channel of USFDA, COSTCO Social Compliant, BRC, Kosher, HACCP, GMP, and NOP-USDA Organic fair Trade certified.

# THROUGH OUR GROWING PRESENCE



With our corporate office in Jammu, Jammu & Kashmir. We strive to deliver quality products to customers across global markets.

We serve millions of consumers every day, in restaurants, homes and outlets in over 45 countries .

We have product presence across the length and breadth of India through our deep rooted network of 500+ distributors and 800+ retail outlets operating in various cities



PRESENCE IN MORE THAN 25+ COUNTRIES

# Participation in Exhibitions

## BIO FACH 2022

***Himalayan Bio Organic Foods Pvt. Ltd. participated in BIOFACH INDIA co-located with NATURAL EXPO INDIA, India's largest International Trade Fair for Organic and Natural Products was held from 1-3 September, 2022 at India Expo Mart Limited (IEML), Delhi - NCR, India. It was a great opportunity for investment, exceptional business deals, a remarkable number of extremely promising contacts, and a fabulous platform for the Indian organic industry - these were the ingredients that crafted the 13th successful edition of BIOFACH INDIA co-located with NATURAL EXPO INDIA and MILLETS INDIA organized jointly by the NuernbergMesse India and the Agricultural & Processed Food Products Export Development Authority (APEDA).***





















## NATURAL PRODUCTS EXPO 2023 ,ANAHEIM, CALIFORNIA

***Sarveshwar Foods participated in World's leading natural, organic & healthy products events bringing together our industry to cultivate a high-integrity CPG and retail ecosystem that creates health, joy and justice for all people while regenerating the planet. #ExpoWest: March 7-11, 2023 held in***

# Participation in Exhibitions

## GLOBAL ORGANIC EXPO 2023

***GOE2023 was poised to be a significant platform for Organic Products, Inputs, Natural Products, Farming, Machinery, Millets, Agriculture Science & Technology & Horticulture by offering Global level conference and exhibition, with an apt theme "Profitability for humanity". It helped in creating awareness among stakeholders and people who care about their health. Over 100 natural & organic product and service companies participated the event. This event was an excellent opportunity to showcase modern agriculture technology without using any chemical fertilisers & pesticides. We as Sarveshwar Group participated in the expo and it was a great show for us !***















## 8TH INTERNATIONAL MSME EXPO – 25-27 AUGUST 2022 – NEW DELHI

***The 8th India International MSME-Startups Expo & Summit –2022 is being organized by MSME Development Forum, recognized and supported by by Ministry of Micro, Small and Medium Enterprises, Government of India, from 25 to 27 August, 2022 at Pragati Maidan, New Delhi. India´s only MSME Startups & Summit-2022 provides a much needed unified Global networking & business promotion platform to Trade, Industry & service providers to showcase exhibit, propagate their Goods and Services and find new opportunities, sourcing, markets, Franchise/Buyers/Sellers, JVs Government and industry connects, awareness about Government's new schemes, share information / know how to generate strong business leads, enhance visibility and customer loyalty, launch new products etc. and to reach out to the right partners.Sarveshwar Group actively participated in the expo and reached maximum B2B and B2C Customers.***

# Participation in Exhibitions

## FRANCHISE INDIA EXPO 2023

***Franchise India Expo was held in July 2023 and Sarveshwar Group was part of it . we also received Best Upcoming Franchise for Nimbark Organic and we received around 300+ queries for Franchise of Our Business model***















## INDUS FOOD EXPO 2023

***The Trade Promotion Council of India (TPCI) organised the 6th edition of 'IndusFood' on 8-10 January 2023 at HITEX Exhibition Centre, Hyderabad (Telangana).***

***Indus Food is a export-focussed promotional trade fair-cum-Reverse- Buyers-Sellers Meet (RBSM) to promote India's agri, F&B and its allied products to global buyers. The event provided opportunity to local small and medium food producers in the Southern Indian region to discuss future business prospects with the global buyers.It was a great learning Experience for the Sarveshwar Group.***

# Participation in Exhibitions









## GI FAIR INDIA : 2022




***GI Fair India is a one-stop-shop where one can see and buy the largest variety of India's GI tagged products from regions far and wide, across the country. An experience in itself, this show offers a common platform to find unique products from the entire expanse of India, be it regions, deep interiors or farthest borders.***

***Sarveshwar Foods represented Basmati Rice from Jammu & Kashmir.BASMATI RICE is described as special long-grain aromatic rice grown and produced in a particular geographical region of the Indian subcontinent. The name Basmati is derived from two Sanskrit roots 'Vas' meaning 'aroma' and 'Mati' meaning 'ingrained from the origin'. In Hindi, the equivalent of 'Vas' is 'Bas' and, therefore, Basmati. Essentially, Basmati means, 'the one containing aroma'. Basmati is Nature's gift and farmers have been growing this scented rice variety for many centuries.***







# NEW PRODUCT LAUNCHES

## MILLETS BASED PRODUCTS

***In recent years, there has been a growing interest in healthier food options and a return to traditional, sustainable organic farming. One such group of grains that have been gaining popularity in this health-conscious movement is millet. Millets are a diverse group of small-seeded grasses that have been cultivated for centuries across various regions of the world.***

*If you're looking to adopt a healthier and more sustainable diet, consider incorporating millet by Nimbark Foods into your meals. With the various types of millets and endless culinary possibilities our product offers, you are sure to embark on a delicious and nutritious journey. From promoting heart health to aiding in diabetes management, millets have rightfully earned their status as nutritional powerhouses. Moreover, our company's sustainable cultivation makes them an eco-friendly choice, contributing to a healthier planet.*



# AWARDS & RECOGNITION



**AWARD FROM NSE**



**HONOURED BY DR. JATINDER SINGH**




**BEST ENTERPRISE OF THE YEAR ( AGRICULTURE) 2022 BY MSME INDIA**




**BEST ENTERPRISE OF THE YEAR ( FMCG) 2023 BY MSME INDIA**

# FINANCIAL HIGHLIGHTS

## REVENUE




## EBITDA




## PAT



# BOARD OF DIRECTORS



**CHAIRMAN**
**MR. ROHIT GUPTA**

***Mr. Rohit Gupta, aged 54 years, is the Promoter and Chairman of your Company. Commerce graduate having experience of more than two decades in the rice industry. He has been the guiding force for the Group in terms of strategy and Management. He has received Best in Industry Award from the J&K Government. He is a member of All India Rice Exporters Association (AIREA), Chamber of Commerce, Confederation of Indian Industry (CII), Shri Mata Vaishno Devi University (SMVDU).***



**MANAGING DIRECTOR**
**MR. ANIL KUMAR**

***Mr. Anil Kumar, aged 46 years, is the Managing Director of your Company .He has over two decades of experience in purchase and sale of paddy and rice. With excellent strategic Leadership skills, he is associated with the Company for quite long and has invested constant efforts in stirring all company's operations, people and ventures in order to maintain and grow business. .***



**WHOLE TIME DIRECTOR**
**MS. SEEMA RANI**

***Ms. Seema Rani, aged 40 years is Whole Time Director of the Company. She has obtained degree of Masters of Commerce from Jammu University. She has over 17 years experience in international marketing and sales and is associated with the Company from past 2 decades .She handles the exports of the Company and has attain excellence in her field.***



**EXECUTIVE DIRECTOR**
**MR. HARBANS LAL**

***Mr. Harbans Lal , 54 years old has is an Executive Director on the Board of the Company. He has been into business for over 30 Years and has varied experience in purchase and sale of Paddy ,wheat , Rice etc. He looks into the general management of the company and has exceptional competence in his field.***

# BOARD OF DIRECTORS



**EXECUTIVE DIRECTOR**
**MR. MAHADEEP SINGH JAMWAL**

*Mr. Mahadeep Singh Jamwal, 69 years old, Executive Director (Corporate Affairs of the Company) inhales from Jammu & Kashmir with professional ground as an ex - Superintendent of Police, serving in the Jammu Kashmir Police Department for 36 years in various capacities and ranks from Investigations, Law Order, Insurgency, as Academics and in prime agency for a decade dealing with corruption and miss-use of power "Jammu and Kashmir State Vigilance Commission". As an operational commander he has commanded three important Battalions dealing with militancy in Valley. He is credited with assignments as special investigator in number of sensational cases. The service profile of Mr. Jamwal has recognitions by earning commendation certificates, appreciation letters, as well as Director General Police Medal.*

*In the Corporate World, he has undergone specialized course on 'Company Law' conducted by CBI-Ghaziabad apart from other specialized courses such as: Forensic Science in Crime Investigation conducted by CBI, Awareness of SC/ST Act conducted by PTA, Management of Anti-social and criminal behavior conducted by Ministry of Home Affairs, National Institute of Criminology and Forensic Sciences. His post retirement engagements include Security Officer to Jammu Kashmir Bank, freelance editorial writer for various news papers published from Jammu Kashmir and has established in the society as a social activist and holding as President of 'Senior Citizens' Club a registered organization and on advisory board of 'Sarveshwar Smiles Foundation' that is especially working towards uplift of farmers and empowering woman folk. He is a man of wits, vision, and compassion with leadership qualities to enhance governing system i.e. the combination of rules, processes and laws by which businesses are operated, regulated and controlled in the corporate world.*



**INDEPENDENT DIRECTOR**
**DR. TEJ PARTAP**

*Dr.Tej Pratap aged 71 years has made significant contributions as Head of the Mountain Agriculture Programme at the International Centre for Integrated Mountain Development (ICIMOD) for 13 years. A breakthrough leader, Prof Tej Partap carries with him a long experience of institutional leadership at national and international level particularly as Vice Chancellor of CSK Himachal Pradesh Agriculture University, Palampur for two terms. Sher-e- Kashmir University of Agriculture Sciences and Technology, Srinagar and APG Shimla University, Shimla for one term each.*

*Dr. Partap was on the Steering Committee of the Global Mountain Program of CGIAR for three years and represented Asia Pacific as elected representative on the Governing Board of the Global Mountain Forum (2000-2002). He is also a recipient of award of Honorary Professor of Mountain Agriculture by Tibet Academy of Agriculture and Animal Sciences (TAAAS), Lhasa, China in 1994 and Honorary Professor of Mountain Agriculture by Institute of Geography, Chinese Academy of Sciences, Beijing in 1995. He is the 99th President of the Association of Indian Universities is an internationally renowned Policy and Strategy Expert of Mountain Farming Affairs, Mountain Agriculture and Organic Agriculture Development Strategies.*

# BOARD OF DIRECTORS



**INDEPENDENT DIRECTOR**
**MR. PRADEEP KUMAR SHARMA**

- *Dr Pradeep K Sharma has several national awards to his credit. His Professional experience involves his International Experience of about 6 years.*
- *Dr. Sharma's professional career as a researcher, academician, and administration manager in national and international universities and institutions spans over 38 years. Mr. Sharma has Administrative Management Experience in Universities of about 17 years.*
- *He has research handling experience as Scientist, Consultant, Senior Research Fellow, Post Doctoral Fellow and many more.*
- *He has also served in national agricultural universities at several Senior Positions such as Chief Scientist (Water Management), Officer on Special Duty to Vice Chancellor, Dean (Postgraduate Studies), Dean (Home Science), and Dean (College of Agriculture), Vice Chancellor of University of Agriculture & Technology, Kanpur, Assistant Director General (EPD) in Education Division, ICAR, New Delhi and Vice Chancellor, Sher-e-Kashmir University of Agricultural Sciences & Technology of Jammu (J&K).*



**INDEPENDENT DIRECTOR**
**MR. MUBARAK SINGH**

- *Mr Mubarak Singh is a retired K.A.S officer who has pursued his education from Bombay University. Mr Singh has served Government department of Jammu & Kashmir for more than 32 years and got retired from J&K government service in 2017.*
- *He has experience in various fields covering Consumer affairs, Law, Public Affairs , Administration ,Economics, Commerce ,Industries, etc.*
- *Reputed Positions held by Mr Singh dare :*
- *Vice-Chairman in Jammu Development Authority .*
- *Deputy Commissioner Samba*
- *Deputy Commissioner Doda*
- *Municipal Commissioner, Jammu Municipal corporation*
- *Special Secretary to Government in Health & Medical Education Department*
- *Additional Secretary to Government in Health & Medical Education Department*
- *Deputy Excise Commissioner Executive & Distillers , Excise Department*
- *Deputy Director In Estate Department*
- *Assistant Commissioner in Rural Development Department*
- *Deputy Director in Social Welfare Department*
- *Programme Officer*
- *And also served as Chairperson in Child Welfare Committee, Juvenile Justice Act, Samba.*
- *Mr. Singh has bagged with several awards and achievements such as Certificate of Honor along with Silver Medal by Census Department Govt. Of India on recognition of the outstanding Zeal and High Quality of service rendered during Census of India, 2011, Commendation Certificate By excise Department etc.*

# BOARD OF DIRECTORS



**INDEPENDENT DIRECTOR**
**DR. UTTAR KUMAR PADHA**

***Dr. Uttar Kumar Padha, aged 67 years, is an Independent Director of our Company. He has obtained his degree in Bachelor of Management studies from Delhi. He has worked as a technical Officer in Blood Bank, Gandhi Nagar Hospital. He has a work experience of more than 34 years. He has been awarded for the best performance in Health Department in state and as well as in centre.***



**INDEPENDENT DIRECTOR**
**MR. ADARSH KUMAR GUPTA**

***Mr. Adarsh Kumar Gupta, aged about 72 years, is an Independent Director of our Company. He has done Bachelor of Science from Jammu University. He is having more than 36 years of experience in Banking Sector. He joined J&K Bank in the year 1975 and worked at different designations in the tenure of 32 years. He is retired as Assistant Vice President of J&K Bank in the year 2011.***



# STATUTORY SECTION



# MANAGEMENT & DISCUSSION ANALYSIS REPORT

# GLOBAL ECONOMY OVERVIEW

The global economy is turning a corner but faces a long road ahead to attain strong and sustainable growth. Global GDP growth slowed substantially throughout 2022, but several of the factors weighing negatively are now unwinding. Falling energy prices and headline inflation, easing supply bottlenecks and the reopening of China's economy, coupled with strong employment and relatively resilient household finances, all contribute to a projected recovery. Nevertheless, the recovery will be weak by past standards. We project global growth to be 2.7% in 2023, with a modest pick-up to 2.9% in 2024 – both well below the average growth rate in the decade preceding the COVID-19 pandemic.

Monetary policy makers need to navigate a difficult road. Although headline inflation is declining thanks to lower energy prices, core inflation remains stubbornly high, more so than previously expected. Central banks need to maintain restrictive monetary policies until there are clear signs that underlying inflationary pressures are abating. Some economies grappling with stubbornly high core inflation may require additional interest rate increases. However, policymakers must keep a watchful eye, given the uncertainties around the exact impact of the rapid and globally synchronized monetary policy tightening following an extended period of low interest rates. The tightening has already revealed some vulnerabilities in financial markets. Should further financial market stress arise, central banks should deploy financial policy instruments to enhance liquidity and minimize contagion risks. Clear communication will be crucial to avoid confusion about the potential conflict between pursuing price stability and financial stability mandates.

The choices for fiscal policymakers are clearer but no easier to implement given the inherent political sensitivity of policy choices with direct redistributive effects. Fiscal policy played a vital role in supporting the global economy through the shocks of the COVID-19 pandemic and Russia’s war in Ukraine. However, in the aftermath, most countries are grappling with higher budget deficits and higher public debt. The burden of debt servicing is increasing and spending pressures related to ageing and the climate transition are building.

As the recovery takes hold, fiscal support should be scaled back and better targeted. Energy price support should be withdrawn as energy prices fall. Vulnerable households inadequately covered by existing social protection systems, will continue to need support, as still high food and energy prices particularly burden the most disadvantaged. Limited resources should be targeted only to those who really need it and to high-priority productivity-enhancing investments, including those driving the green transition and improving labor supply and skills. Gradually unwinding fiscal support will help reduce the burden on monetary policy, strengthen buffers against future crises and prepare for longer-term challenges.
Emerging-market economies face challenges from tight global financial conditions: higher debt servicing costs, capital outflows, and reduced credit availability from foreign lenders. Moreover, rising geopolitical tensions and concerns about supply chain security have prompted several countries to implement trade and investment restrictions. Increasingly restrictive trade policies risk curtailing the gains from global trade and harming the development prospects of low-income countries.

Ultimately only ambitious structural policy reforms can sustainably raise long-term economic growth and people’s quality of life around the world. Revitalizing labor and product markets; removing barriers to cross-border trade; promoting competition and adapting competition policies to the digital era; and enhancing skill development are essential elements of the structural reform agenda.
Private and public investment is needed in human, tangible and intangible capital to enable people to make the most of their skills and capabilities, and to harness the ever-increasing opportunities from technological transformation. Investment in education and skills is critical to enable people to flourish in the future economy and reap the benefits of increased productivity.

# INDIAN ECONOMY OVERVIEW

India, enjoys its economic activity gaining momentum amid continuing global uncertainties. The last quarter's GDP data was pleasantly surprising but not completely unexpected. The GDP growth in the fourth quarter has pushed up the full-year GDP growth of FY2022–23 to 7.2%, 200 basis points (bps) higher than the earlier estimate. The recently released Annual Economic Review for the month of May 2023 highlighted that the post pandemic quarterly trajectories of consumption and investment have crossed pre pandemic levels.

Evidently, economists and analysts are bullish about the Indian economy. Our growth forecasts for FY2023–24 remain similar to our April forecast, although higher-than-expected growth in FY2022–23 has raised our base for comparison. That said, we have raised our lower limit of the range given the buoyancy of the economy. We expect India to grow between 6% and 6.3% in FY2023–24 and have a stronger outlook thereafter. In fact, if global uncertainties recede, we expect growth to surpass 7% over the next two years.

India grew by 6.1% in the last quarter, which is approximately ~100 bps higher than what the market had anticipated, taking the growth for the full fiscal 2022-23 to 7.2% which is above the 7% projection made by the RBI and Government earlier. The growth has been driven by pick up in private investments, capital spending by the Government and sharp growth in service exports. Rural economy, as evidenced by growth in agriculture, tractor sales and growth in credit to the agriculture sector, has been steady.

All parts of the service sector, construction and real estate continue to do well. This is also borne out by increased cement and steel sales, an increase in both freight and passenger traffic and IIP numbers for construction and growth in banking credit to the services sector. While the overall growth was broad-based, many sectors such as construction and agriculture experienced more-than-expected growth. In fact, strong growth in manufacturing proved to be a reassuring development as modest growth in the sector in previous quarters had been a concern for policymakers.

On the expenditure side, exports performed well despite global headwinds, while imports recorded their slowest growth since December 2020, primarily because of easing crude oil prices bringing down India's import bills. Private consumption, the largest component of India's final demand, with a modest growth of 7.5% in FY2022–23,3 emerged as the weakest link in overall growth.

The share of private consumption in GDP fell in the last quarter and was the lowest in the past seven quarters, dragged down by weak rural demand. However, things might be changing on that front as well.

Urban demand conditions have remained resilient, as evidenced by the sales of mid- to high-end segments of automobiles, the number of UPI transactions, and domestic air passenger traffic data. Rural demand, which was lagging, has also been rising lately, as seen in the sales of tractors, IIP nondurable goods, and Mahatma Gandhi National Rural Employment Guarantee Act data.

Overall, the first-quarter data of FY2024 shows confidence in the improving health of the economy. Inflation in the first quarter was 4.5%, the lowest since the quarter of September 2019. Goods and Services Tax collections remain strong, suggesting that revenue buoyancy will aid in improving the budgeted fiscal deficit ratio to GDP. At the same time, India's external account has been improving, thanks to the falling import bills as oil prices ease.

Interestingly, the credit-deposit ratio has continued to improve strongly from the lows of the pandemic despite the rising interest rates. A deeper dive reveals that most of the lending is happening in the industry and services sector.6 This points to improving investment, which means that the supply side is gearing up to meet the rising demand.

# GLOBAL AGRICULTURE INDUSTRY

Healthy, sustainable and inclusive food systems are critical to achieve the world's development goals. Agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity, and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors.
Agriculture is also crucial to economic growth: accounting for 4% of global gross domestic product (GDP) and in some least developing countries, it can account for more than 25% of GDP.

But agriculture-driven growth, poverty reduction, and food security are at risk: Multiple shocks – from COVID-19 related disruptions to extreme weather, pests, and conflicts – are impacting food systems, resulting in higher food prices and growing hunger. Russia's invasion of Ukraine has accelerated a global food crisis that is driving millions more into extreme poverty, and around 205 million people across 45 countries have so little food that their lives are at risk.

The growing impact of climate change could further cut crop yields, especially in the world's most food-insecure regions. At the same time, our food systems are responsible for about 30% of greenhouse gas emissions.

Risks associated with poor diets are also the leading cause of death worldwide. Millions of people are either not eating enough or eating the wrong types of food, resulting in a double burden of malnutrition that can lead to illnesses and health crises. Food insecurity can worsen diet quality and increase the risk of various forms of malnutrition, potentially leading to under nutrition as well as people being overweight and obese. An estimated 3 billion people in the world cannot afford a healthy diet.

Sustainable agriculture offers a viable solution to these challenges. It provides a pathway towards a more resilient, equitable and environmentally sustainable food system that benefits everyone on Earth. Sustainable agriculture is more important now than ever before, climate change is causing erratic weather patterns, making it harder for farmers to produce enough foods to feed a growing population. At the same time, conventional agriculture practices are exacerbating these problems, contributing to soil erosion, loss of biodiversity and pollution of water resources.

According to the Food and Agriculture Organization of the United Nations (FAO), unsustainable agricultural practices are responsible for 70% of global freshwater withdrawls and 80% of deforestation worldwide. To accelerate the transition to sustainable agriculture practices globally by implementing regenerative practices and nature-based solutions.

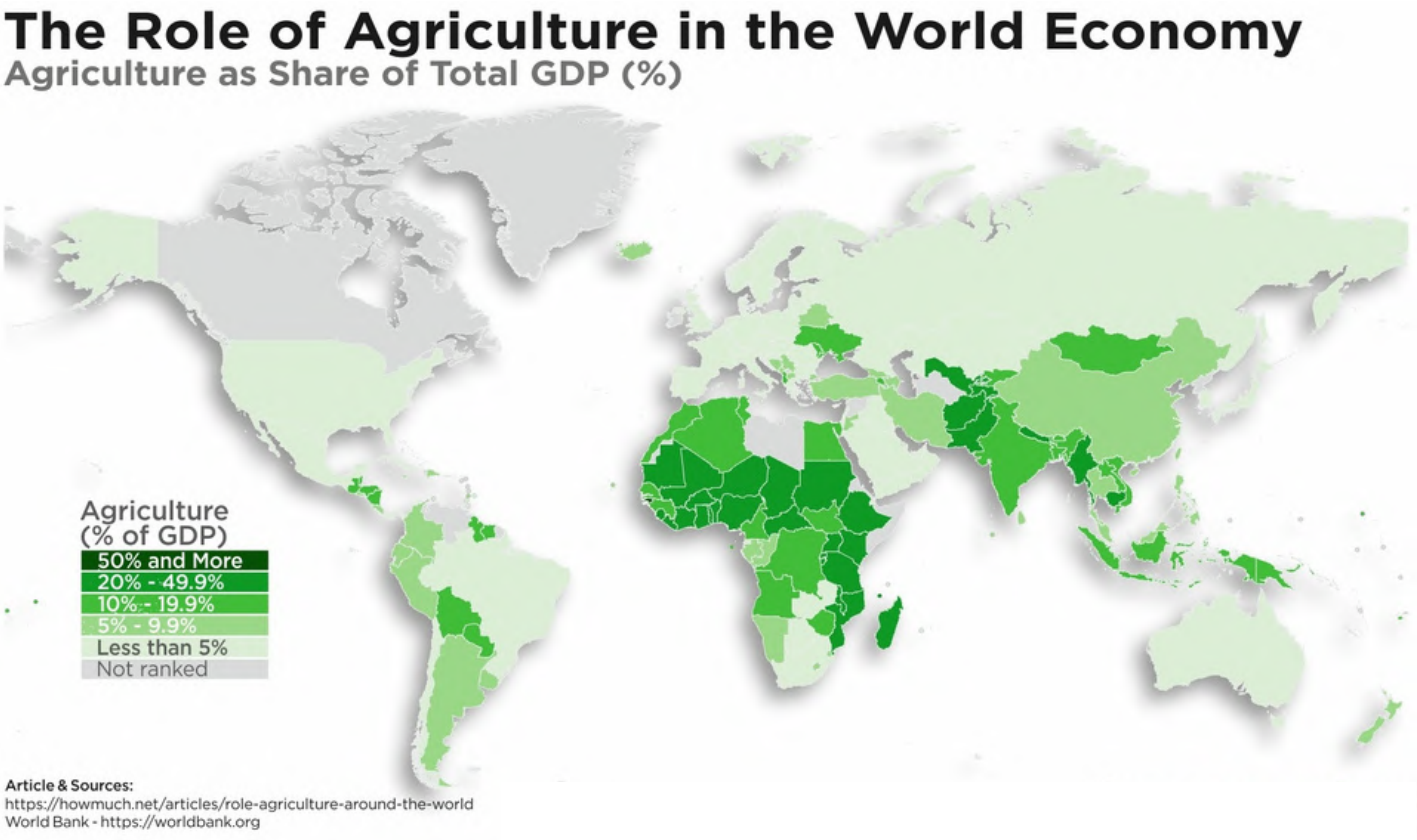
Regenerative agriculture focuses on building soil health, enhancing biodiversity and increasing the capacity of ecosystems to sequester carbon. This approach involves practices, such as conservation tillage, cover cropping, crop rotation, intercropping and agro forestry. By incorporating these practices into their farming systems, farmers can improve soil fertility, increase yields and reduce greenhouse gas emissions. According to a study published in National Sustainability, agro ecological farming practices can reduce nitrogen leaching by 21% and improve soil quality compared to conventional farming practices.

Applying IPM involves the use of multiple strategies to manage pests, diseases and weeds in a way that minimizes harm to human health and the environment. These strategies may include biological controls, crop rotation, the use of resistant varieties and cultural practices. IPM can reduce pesticide use, improve crop yields and protect natural ecosystems.

Adopting agro forestry involves the integration of trees and shrubs into agricultural landscapes. This approach can enhance soil fertility, reduce erosion, increase biodiversity and provide additional income streams for farmers through the production of timber, fruits and other non-timber forest products. According to a report by the World Agro forestry Centre, agro forestry has the potential to increase the productivity of degraded lands in India by up to three times, while sequestering carbon in the soil and biomass.

Advancing circularity in agriculture is a closed-loop system that aims to reduce waste, recycle nutrients and regenerate natural resources. This can be achieved through practices such as composting, cover cropping and integrated livestock-crop systems. By adopting circular agriculture practices, farmers can reduce their reliance on external inputs, such as synthetic fertilizers and pesticides, while improving soil health and reducing waste .

Implementing regenerative practices, crop rotation, integrated pest management, agro forestry and circularity in agriculture can help achieve these goals. Along with the adoption of digital agriculture solutions and innovating agri-technologies, farmers can ensure efficient and sustainable farming practices.



# INDIAN AGRICULTURE INDUSTRY

The Indian economy holds the fifth position in the world's top economies in 2023 GDP rankings. The majority of the country's population depends on agriculture for their livelihood. The agricultural sector is a central pillar of the Indian economy, employing 60 per cent of the nation's workforce and contributing to about 17 percent of its GDP.

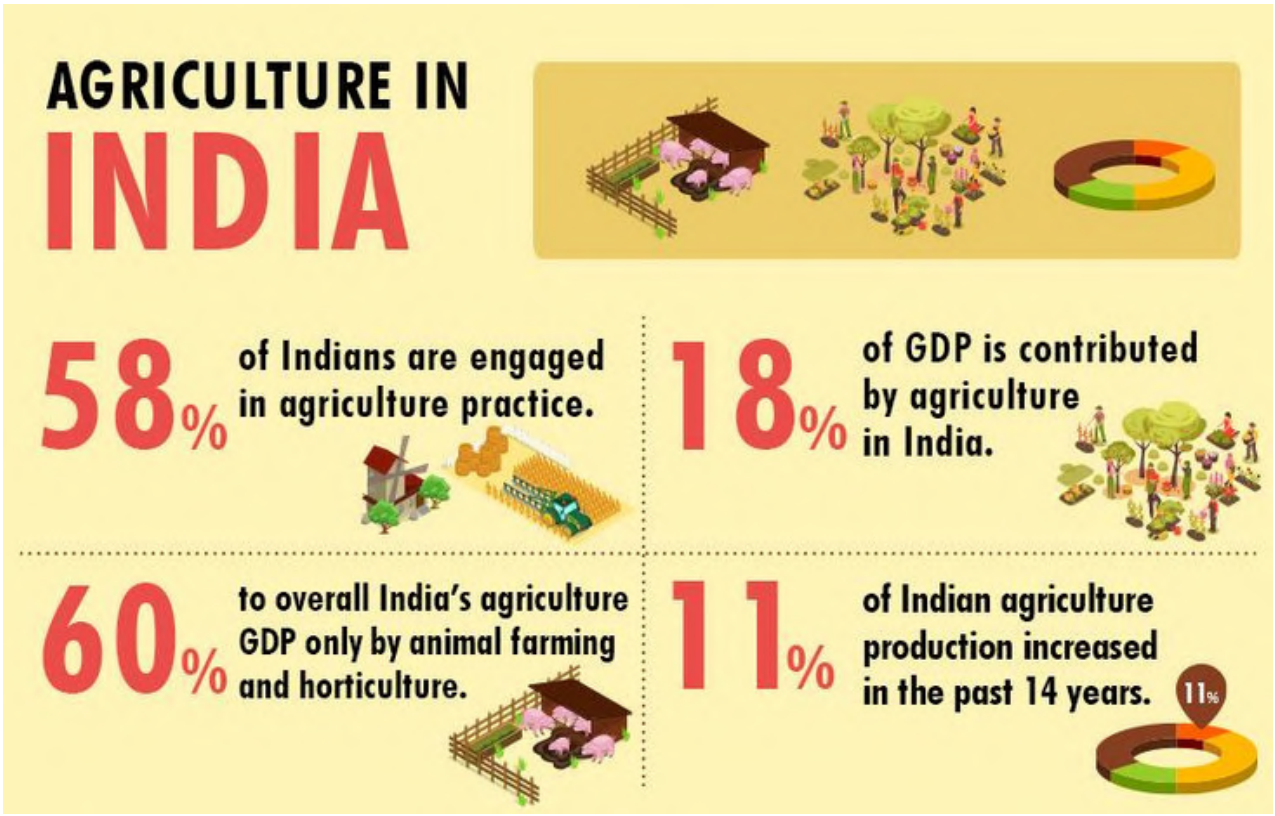
The Indian economy is an agro-economy, which is highly dependent on the cycle of production, distribution and consumption. Another problem with the agro-economy is productivity. Currently, Indian farmers produce 2.4 tons of rice per hectare of land, which is far behind its actual potential. On the other hand, China and Brazil produce 4.7 and 3.6 tons of rice per hectare.

Since more than half of the population of India indulges in agriculture, the importance of agriculture in the economy is highlighted with two important factors. Firstly, it provides employment opportunities to rural agricultural and non-agricultural laborers. Secondly, it plays a significant role in international trade and import and export activities. With only 4 per cent of the world's water resources and 2.4 per cent of the world's land, India supports 17.8 per cent of the world's population and 15 per cent of the livestock population.

Indian agriculture is typically identified with the 'Green Revolution' that started in the 1960s, enabling the nation to make great strides in domestic food production and significantly contributing to progress in agriculture and allied sectors. It transformed India from a food-deficit nation to a food-surplus, export-oriented country. Although the agriculture sector plays a crucial role in the Indian economy, there is a constant drop in this sector while the service sector is comparatively improving. Now the country is facing second-generation problems, especially related to sustainability, nutrition, adoption of new agricultural technologies and, perhaps most importantly, income levels of the population dependent on farming.

The redressal measures are also high up on the government agenda. Through the introduction of various welfare schemes the government is indeed continuously engaged in addressing these challenges, and relevant departments are involved in the administration of existing programmes and policies. To enhance and secure the household income of farmers, the government has given income support through PM KISAN Scheme, crop insurance through the Pradhan Mantri Fasal Bima Yojana, and irrigation facilities under Pradhan Mantri Krishi Sinchai Yojana. Access to institutional credit is being provided through Kisan Credit Card and other channels. Under the e-NAM initiative, markets across the length and breadth of the nation are now open to farmers to enable them to get more remunerative prices for their produce.






The umbrella scheme Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA) ensures Minimum Support Price (MSP) to farmers for various Kharif and Rabi crops while also keeping a robust procurement mechanism in place.

Although the efforts have shown results in the National Sample Survey, which estimates average monthly income per agricultural household increased from Rs. 6,426 in 2012-13 to Rs. 10,218 in 2018-19. However, there is a recognized need for more long-term directional reorientation of food, agriculture, and farm policies. The country is known for its diversity of farming practices. It is important to get diverse points of view engaged in a national-level dialogue to find suitable solutions for the future.

To make Indian agriculture future-ready, initiatives like National Mission for Sustainable Agriculture, the promotion of scientific warehousing and the adoption of drone technologies have to be promoted and facilitated for small scale farmers, too. The government has also taken several steps to increase investment in the agriculture sector such as setting up an Agri-Tech Infrastructure Fund, promoting organic farming through Paramparagat Krishi Vikas Yojana, and creating a Long-Term Irrigation Fund and Micro Irrigation Fund. Under the Agriculture Infrastructure Fund, entities such as farmers, start-ups, government agencies and local bodies benefit from setting up eligible infrastructure projects.

Under the Rashtriya Krishi Vikas Yojana (RKVY) Scheme, grants-in-aid are given to state governments on the basis of the projects approved in the State Level Sanctioning Committee Meeting (SLSC). More of such schemes need not be just introduced, but has to be facilitated for small scale farmers, too.

With such large chunk of human and resource investments, agriculture continues to be the prime pulse of the Indian economy and is at the core of the socio-economic development of the country. The growth of other sectors and the overall economy hinges on the performance of agriculture to a considerable extent through its backward and forward linkages. It is not only a source of livelihood and food security for a large population of India but also has a special significance for low-income, poor and vulnerable sections.




# SUSTAINABILITY

India is the new economic powerhouse as; currently, it is the fifth largest and targeting to become third shortly. However, economic growth may be hampered if the key industries, such as agriculture, are not paid attention to. Most of the population depends on agriculture, which is vulnerable to climate change impacting productivity and food quality. According to the Ministry of Agriculture and Family Welfare, ***69 million hectares of crop area were lost from FY 2015-16 to FY 2021-22***, which is alarming for the Indian agriculture sector. In this challenging period, embracing sustainable agriculture can help improve farm incomes and nutrition security for the present and future generations.

Sustainable farming is an economically viable, socially supportive, and ecologically sound crop-growing method. The Council on Energy, Environment and Water (CEEW) has identified 16 sustainable agricultural practices (SAPs), including organic farming, natural farming, integrated farming systems, agro-forestry, etc. Although only some SAPs have been adopted by more than ***4% of farmers*** in India, the transition towards sustainable farming is increasingly visible across the country. For instance, Sikkim has already become 100% organic by adopting organic farming, while Andhra Pradesh aims to move towards 100% zero-budget natural farming by 2027.

Today, there is a growing consensus that Indian agriculture has reached a stage where it needs to move from resource-intensive agricultural methods to more sustainable and environment-friendly farming. However, any transition to sustainable agriculture should be well-calibrated, taking learning from the past success of India's green revolution and the recent crisis in Sri Lanka due to the abrupt shift towards organic farming. Currently, the SAPs mainly practised in the country involve synthetic pesticide-free agriculture, intercropping, and mixed cropping, which have helped enhance the entire crop ecosystem and maintain soil health. This will reduce the use of energy, and chemicals, maintain the groundwater table and save scarce resources. Besides, using various biological solutions, Alternate Wetting & Drying and Direct Seeding Methods for paddy cultivation can help minimize methane emissions and water usage and improve soil health. Subsequently, it helps in reducing the cultivation cost and increases the farmers' income. Thus, creating an additional source of income through compensation for the carbon credits generated due to the switch in the cultivation practice aligning with Indian Government's enhancing farmers' mission.

Indian Corporate have become increasingly committed to building a future of sustainable agriculture. They have started focusing on driving innovations in crop protection & post-harvest solutions, improving soil health, and planning simulation to identify and address farmers' critical challenges. The corporate endeavor to offer a comprehensive solution platform to farmers to enhance their resilience against climate risks and ensure maximum farm yield at affordable costs. The industry's partnership with farmers has helped them increase their yield and annual income.

# GLOBAL RICE INDUSTRY

The global rice market size reached US$ 294.8 Billion in 2022. Looking forward, IMARC Group expects the market to reach US$ 345.8 Billion by 2028, exhibiting a growth rate (CAGR) of 2.7% during 2023-2028. The increasing food consumption across the globe, rapid urbanization activities, changing consumer dietary preference, introduction of modern farming techniques, imposition of supportive government policies, and recent innovations in supply chain management are some of the major factors propelling the market.
Global rice trade in calendar year 2024 is projected at 55.8 million tons (milled basis), up less than 0.1 million tons from the year-earlier revised estimate. In 2024, increased exports from Argentina, Australia, Burma, Cambodia, Guyana, Pakistan, and the United States are expected to be nearly offset by reduced shipments from Brazil, China, Thailand, and Vietnam. India is expected to again be the largest exporter, shipping 22.5 million tons, unchanged from the year earlier record and exceeding the combined shipments of the next three largest exporters— Pakistan, Thailand, and Vietnam.

India is expected to remain the most competitively- priced global rice exporter in 2024. On the 2024 import side, increased purchases by Bangladesh, Ghana, Nigeria, Senegal, and Vietnam are expected to be nearly offset by an almost 1.1-million-ton reduction in Indonesia's imports plus smaller expected purchases in 2024 by Australia, China, Egypt, Ethiopia, Iraq, the Philippines, Tanzania, and Turkey. U.S. imports are projected to remain at a near-record 1.25 million tons. By region, Sub-Saharan Africa is expected to remain the largest import market, taking a record 17.0 million tons of rice, exceeding the combined projected imports for East Asia, South Asia, and Southeast Asia. Both East Asia and Southeast Asia are projected to reduce rice imports in 2024, while South Asia is projected to increase imports.

Both South America and North America are projected to import more rice in 2024 than in 2023. The 2023 global rice trade forecast of 55.7 million tons is down 0.2 million tons from the previous forecast and 0.4 million tons below the year-earlier record. This month, a 0.4-millionton reduction in Burma's exports more than offset larger expected shipments from Cambodia and Uruguay.
On annual basis, in 2023, reduced exports from Argentina, Brazil, Burma, Pakistan, Paraguay, Tanzania, the United States, and Uruguay are projected to offset larger shipments from Australia, Cambodia, India, Thailand, and Vietnam.

On the 2023 import side, downward revisions for Ethiopia, Ghana, Kenya, Nepal, Nigeria, Sri Lanka, and the United States more than offset upward import revisions for Benin, Canada, Iran, the Philippines, Senegal, Tanzania, and Turkey. On an annual basis, reduced imports in 2023 by Afghanistan, Angola, Bangladesh, Benin, China, Costa Rica, Cote d'Ivoire, Egypt, Ethiopia, Guinea, Iraq, Kenya, Libya, Madagascar, Nigeria, the Philippines, Senegal, Sierra Leone, Sri Lanka, the United Arab Emirates, the United States, and Vietnam are projected to more than offset increased purchases from Brazil, Burkina Faso, Canada, the European Union, Gambia, Ghana, Guinea-Bissau, Haiti, Indonesia, North Korea, Kuwait, Libya, Nepal, Niger, Peru, South Africa, Syria, Tanzania, Togo, and Venezuela.

# INDIAN RICE INDUSTRY OVERVIEW

Rice is the most common staple food in many Asian countries including India. Rice is India's most significant food crop. It is a Kharif (autumn) crop cultivated in warmer regions during the monsoon season from June to September. Rice is extracted from the paddy crop during harvesting. The leading rice-producing states were West Bengal, Uttar Pradesh, Andhra Pradesh, Punjab, Tamil Nadu, Bihar, Chhattisgarh, and Odisha. Over 3,000 varieties of rice are grown across the country, some of which take as less as 60 to 75 days to be grown. The South Asian peninsular ranked second for consumption of rice globally. This barely comes as a surprise when more than half of the Indian population consumes rice. Of all varieties, white rice is most consumed as it also helps with digestive problems.

India was the world's largest rice exporter, followed by Thailand and Vietnam. The export of rice other than the basmati variety increased by a whopping 109 percent since 2014, with parboiled rice making up the majority of exports in this category. Milled rice, broken rice, rice in husk, and husked brown rice were also exported. The country exported rice to over 150 nations, continuing to extend its market share in Africa, Asia, and Europe. In 2022, Saudi Arabia, Bangladesh, and the United Arab Emirates were the major importers of Indian rice.

Rice requires highly specific environmental conditions to grow. After maize, rice was the world's most produced crop. India ranked second in rice production globally. This volume amounted to over 129 million metric tons in financial year 2022.

The Indian rice industry is positively impacted by government support for rice production, suitable monsoon season, an increase in the number of rice processing industries, and exports. However, climate change has had an impact on the crop seasons, along with high fertilizers prices, inadequate irrigation systems, and issues within the farming communities. The most recent of the latter involved the farmer protests, one of the largest demonstrations in the world. Despite these shortcomings, however, the annual yield of rice was 2.8 metric tons per hectare in fiscal year 2022, significantly higher than the previous year.

India announced that it would restrict exports of non-basmati rice to calm domestic rice prices that had risen more than 30% since October 2022. The ban would halt overseas sales of the grain with "immediate effect," the government announced, and is estimated to cover about ***75%-80% of Indian rice exports.*** The ban is the latest blow to the global rice market, whose prices have ***risen 15%-20%*** since September 2022 —this coming after a period of relative stability in the earlier part of that year, even as prices of other cereals were soaring due to the Russia-Ukraine war. Over the past 15 years, India has become the world's largest rice exporter, accounting for ***40% of global rice exports*** in 2022/23, so any move it makes can have significant market reverberations. India's current move adds to its earlier, more limited export restrictions on rice. In 2022, India implemented ***a ban on the export of broken rice*** and imposed a supplemental tariff of 20% on exports of non-basmati rice. Yet India rice exports still totaled a record high ***22.3 million metric tons*** in calendar year 2022. But the latest ban may send those numbers falling, posing risks of higher global prices and heightened food insecurity.

India imposed a ban on July 20 on the export of non-basmati white rice. The move followed a ban on the export of broken rice, which was announced in September last year and is still in place. India, the world's biggest rice exporter, accounted for nearly 40 percent of global rice trade in 2022, exporting 22 million tons worth $9.66bn to 140 countries. That included ***4.5 million tons of basmati rice***, ***8 million tons parboiled rice***, ***6 million tons non-basmati white rice, and 3.5 million tones broken rice.***

India continues to export parboiled and basmati rice, meeting its international commitments halfway, but global rice prices have increased by 15-25 percent since the ban. Worst hit are the poor in countries like Bangladesh and Nepal, who depend on Indian white rice, and those in African countries like Benin, Senegal, Togo, and Mali, which import broken rice — the cheapest and most filling variety.

However, there is no change in Export policy of Non Basmati Rice (Parboiled Rice) and Basmati Rice, which forms the Bulk of Rice exports. This will ensure that the farmers continue to get the benefit of remunerative prices in the international market.

Since imposing the wheat and broken rice bans, India cleared over 300,000 tons of wheat shipments to Nepal, 200,000 tons of broken rice to Indonesia, 500,000 tons of broken rice to Senegal and 50,000 tons of broken rice to Gambia under humanitarian food assistance.

The India basmati rice market size reached ***INR 485.1 Billion in 2022***. Looking forward, IMARC Group expects the market to reach INR 487.2 Billion by 2028, exhibiting a growth rate (CAGR) of ***1.1% during 2023-2028.***

The growing consumer preferences for long-grain specialty rice variants owing to their superior characteristics in terms of quality, aroma, and flavor are primarily driving the India basmati rice market. Moreover, the rising consumption of brown basmati rice due to its low-fat content and high nutritional value is acting as another significant growth-inducing factor. In addition to this, the increasing adoption of basmati rice in the food and beverage sector for the preparation of various traditional Indian cuisines, such as biryani, desserts, pilafs, etc., is also fueling the market growth.

Furthermore, the escalating export demand for basmati rice in different parts of the world, especially in the Middle East region, is creating a positive outlook for the market in India. In line with this, the introduction of favorable trade policies and licensing procedures for agricultural exports is propelling the Indian market for basmati rice.

Moreover, the Government of India is also launching several initiatives for boosting domestic production and enhancing the storage capacity of basmati rice, thereby further bolstering the regional market. For instance, the Agricultural and Processed Food Products Export Development Authority (APEDA) and Basmati Export Development Foundation (BEDF) have collaborated to sensitize the farmers and assist the state governments in improving basmati rice cultivation.

# COMPANY OVERVIEW

***SARVESHWAR FOODS LIMITED***, a prominent player in the rice industry. With a strong heritage spanning 19 years, we have consistently demonstrated our commitment to excellence in every facet of our operations. From cultivating the finest rice grains to delivering exceptional products to our customers, our unwavering dedication drives our success. We have established ourselves as a trusted brand known for our commitment to excellence, innovation, and sustainability. At SARVESHWAR FOODS LIMITED our focus is clear: ***to provide the highest quality rice products that meet the diverse needs of consumers.*** We take pride in our meticulous approach to every step of the rice production process, ensuring that our products not only taste exceptional but also uphold nutritional value and sustainability principles.

## MARKET PRESENCE

Our products are distributed both domestically and internationally, catering to a diverse customer base. Domestically, we have a strong presence in Jammu and Kashmir, Punjab, Haryana, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, West Bengal, Maharashtra, Telangana, Andhra Pradesh, Karnataka, Kerela, and Tamil Nadu, serving consumers through a network of retail partners and supermarkets. Internationally, our premium rice varieties have gained recognition in Canada, USA, Curacao, Norway, United Kingdom, Belgium, Germany, Italy, Malta, Turkey, UAE, Kingdom of Saudi Arabia, Sultanate of Oman, China, Nepal, Maldives, Mauritius, Australia, New Zealand, Tanzania, Angola, where our commitment to quality has helped us build a loyal clientele.

## QUALITY COMMITMENT

At SARVESHWAR FOODS LIMITED, quality is our foremost priority. We maintain stringent quality control measures throughout the production process, from seed selection to post-harvest processing. Our state-of-the-art facilities are equipped with the latest technology to ensure that our rice products meet the highest standards of taste, texture, and nutritional value. We recognize that quality is not just a benchmark to meet; it's a promise we make to our customers, partners, and ourselves. Our commitment to delivering exceptional rice products beings with a comprehensive approach that spans every facet of our operations.

## SEED SELECTION AND CULTIVATION

We start by meticulously selecting the best rice seeds, taking into account factors such as yield, taste, and nutritional content. Our experienced agronomists work closely with local farmers to ensure that the cultivation process adheres to industry-leading practices. By partnering with farmers who share our commitment to excellence, we can guarantee the consistent quality of the rice we produce.

## SUSTAINABLE FARMING PRACTICES

Quality is closely intertwined with sustainability in our approach. We implement responsible farming techniques that minimize environmental Impact. From utilizing water efficient irrigation methods to employing natural pest management strategies, we prioritize the long-term health of the land and surrounding ecosystems. This not only ensures the quality of our rice but also contributes to a more sustainable future.

## STATE-OF-THE-ART PROCESSING

Once the rice reaches our state-of-the-art processing facilities, our commitment to quality remains unwavering. We employ cutting-edge technology and stringent quality control measure to sort, clean, and process the rice grains. This ensures that only the finest grains make their way into our products, reflecting our dedication to maintaining the highest standards.

## RIGOROUS TESTING AND INSPECTION

Quality assurance is an ongoing process. We conduct rigorous testing and inspections at various stages of production, from initial processing to packaging. Our dedicated quality control teams use advanced testing equipment to analyze factors such as moisture context, texture, and taste. This thorough approach guarantees that each batch of rice meets our exacting quality benchmarks.

## CUSTOMER SATISFACTION

Ultimately, the measure of our quality commitment lies in the satisfaction of our customers. We take their feedback seriously and continuously strive to exceed their expectations. Our customer-centric approach drives us to listen, learn, and adapt, ensuring that our products consistently deliver the taste, texture, and nutritional value that our customers have come to expect.

## CONTINUOUS IMPROVEMENT

Our quality commitment is an ongoing journey. We invest in research and development to explore innovative techniques, refine our processes, and introduce new rice varieties that align with changing consumer preferences. Through a culture of continuous improvement, we aim not only to meet industry standards but to set new benchmarks for quality in the rice industry.

Quality is the cornerstone of SARVESHWAR FOODS LIMITED's identity. Ur comprehensive approach, from seed to table, reflects our dedication to delivering rice products that stand as a testament to excellence, sustainability, and customer satisfaction with every grain of rice we produce, we reinforce our commitment t quality, ensuring that our reputation remains synonymous with the very best in the industry.

## INNOVATION AND SUSTAINABILITY

We are dedicated to driving innovation in the rice industry, Our research and development teams work tirelessly to enhance yield, reduce environmental impact, and introduce new rice varieties that cater to changing consumer preferences. We are proud of our sustainable farming practices, which include water-efficient irrigation systems and responsible land management to minimize our ecological footprint.

## SUPPLY CHAIN INTEGRATION

Our vertically integrated supply chain gives us a competitive edge. We control every stage of production, from cultivating rice in our own fields to processing and packaging in our modern facilities. This integration allows us to maintain consistent quality, streamline operations, and respond quickly to market demands.

## CULTIVATION AND SOURCING

Our supply chain integration begins at the very roots of our operation: the cultivation of rice. By owning and managing our own rice fields, we ensure the quality of our raw materials from the outset. This hands-on-approach empowers us to implement best practices in cultivation and harvesting, resulting in rice grains of unparalleled quality and consistency.

## PROCESSING AND PACKAGING

Once harvested, our rice is seamlessly integrated into our advanced processing facilities. With the ability to oversee the entire processing cycle, we maintain strict control over factors such as sorting, cleaning, and packaging. This not only ensure that the rice retains its intrinsic quality but also allows us to respond swiftly to market demands and customize packaging options.

## QUALITY CONTROL

Ur integrated supply chain empowers us to implement rigorous quality control measures at every stage. We leverage state-of the art technology and dedicated team of experts to monitor and evaluate the quality of our rice products. This real-time oversight quality benchmarks, resulting in products that consistently exceed customer expectations.

## DISTRIBUTION AND LOGISTICS

With a seamless flow from cultivation to processing, we optimize our distribution and logistics processes. Our in-house distribution network ensures that our rice products reach customers with minimal delays and the highest level of care. This control over distribution not only enhances efficiency but also contributes to the overall customer experience.

### RESPONSIVENESS TO MARKET DEMANDS

The integrated nature of our supply chain equips us to be agile in responding to changing market dynamics. Whether it's introducing new rice varieties, adjusting packaging sizes, or adapting to shifts in consumer preferences, our integrated approach allows us to make rapid and informed decisions that keep us ahead of the curve.

### SUSTAINABILITY AND TRANSPARENCY

Our commitment to supply chain integration extends to our sustainability initiatives. By owning the entire process, we can ensure responsible farming practices, ethical labor standards, and reduced environmental impact. This transparency in our operations resonates with conscious consumers who seek products that align with their values.

Our vertically integrated supply chain sets SARVESHWAR FOODS LIMITED apart as a leader in the rice industry. From cultivation to distribution, we maintain control over every facet of our operations, enabling us to deliver rice products that embody quality, consistency, and sustainability. This integration is not just a strategy; it's a reflection of our dedication to providing the very best to our customers, partners, and stakeholders.

# FINANCIAL PERFORMANCE

SARVESHWAR FOODS LIMITED has consistently delivered strong financial results. In the past fiscal year, we achieved 20.75% revenue growth compared to the previous year, reaching a total revenue of 33,273.58 lakhs. Our healthy profitability margins reflect our efficient operations and strategic pricing. 27290.80 Lakhs.

### REVENUES

Revenues from operations during 2021-2022 was 27290.80 lakhs against 32436.57 lakhs in 2022-2023. Revenue from operations increased by approx 18.85% during the year, largely owing to enhanced sales. Other incomes of the Company in 2021-2022 was 263.30 lakhs compared to 837.01 lakhs in 2022-2023 which is approx 2.6% share of the Company’s revenues reflecting the Company’s focus on its core business operations.

### EXPENSES

Total expenses of the Company increased proportionately by 20.75% from 27092.95 lakhs in 2021-22 to 32717.13 in 2022-2023, as the cost of raw material consumed was 12564.60 lakhs in 2021-2022 to 27501.76 in 2022-2023.

### PROFITABILITY

Company’s PBT increased to 556.45 lakhs in 2022-2023 compared to 461.44 lakhs in 2021-2022. Net profit for the year stood at 399.61 lakhs compared to 330.45 lakhs in the previous year.



## OUTLOOK

Looking ahead, we remain committed to our core values of quality, innovation, and sustainability. We are focused on expanding our market reach, exploring new distribution channels, and investing in research to develop rice varieties that align with evolving consumer preferences. By leveraging our strengths and embracing opportunities, we are confident in our ability to maintain our position as a leader in the rice industry.

The shift towards organic farming in rice cultivation signifies a commitment to rice farming avoids synthetic practices. Organic rice farming avoids synthetic chemicals, prioritizing natural methods like crop rotation, composting, and biological pest control. While this approach can enhance soil fertility and water management, it may lead to slightly lower yield compared to conventional methods. Nonetheless, the focus on healthier ecosystems, reduced environment impact, and potentially healthier rice products drive the momentum for organic farming.

In the past year, our company has made significant strides in advancing the cause of organic rice farming. By embracing sustainable agriculture practices, we have not only demonstrated our commitments to environment stewardship but also fostered healthier ecosystem and communities. Our dedication to producing premium quality organic rice aligns with the growing consumer demand for healthier food options. Furthermore, our engagement in organic farming reinforces our role as a responsible corporate citizen, prioritizing sustainability and environment well-being.

As we present this annual report, we celebrate our achievement in organic rice farming and reiterate our commitment to fostering a more sustainable and resilient agriculture future. Through our collective efforts, we pave the way for a greener, healthier, and more prosperous tomorrow.



# NOTICE OF ANNUAL GENERAL MEETING

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the members of ***SARVESHWAR FOODS LIMITED (CIN: L15312JK2004PLC002444)*** will be held on Saturday, ***30 September, 2023*** at 11:00 AM at ***Country Inn & Suites, by Radisson ,Opposite Bahu Plaza Complex, Gandhi Nagar Extension, Jammu J & K -180004*** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st of March, 2023 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statements of the company for the financial year ended 31st March, 2023.

2. To appoint Director in place of Mr. Harbans Lal (DIN: 08571117), who retire by rotation and being eligible to offer themselves for re-appointment.

***For and on behalf of the Board***
***Sarveshwar Foods Limited***

**ANIL KUMAR**

**Place : Jammu**
**Date :14.08.2023**

**MANAGING DIRECTOR**
**DIN: 07417538**

## NOTES:

1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional information, pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), in respect of the directors seeking appointment/ re–appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent/declaration for their appointment/re–appointment as required under the Companies Act, 2013 and the Rules there under.

**2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 [FORTY-EIGHT] HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 [ten] percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

4) Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

5) The Annual Report along with Notice of AGM will be sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on 05th September,2023.

6)The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act and relevant documents referred to in this Notice and explanatory statements will be available for inspection by the Members during the AGM. All documents referred to in this Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice upto the date of AGM.

7) In line with the MCA Circulars and SEBI Circular, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agents (RTA)/Depositories. The Notice convening the AGM has been uploaded on the website of the Company at www.sarveshwarfoods.com and can also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of Bigshare Services Private Limited at www.bigshareonline.com.

However, an option is available to the Members to continue to receive the physical copies of the documents/ Annual Reports by making a specific request quoting their Folio No./Client ID & DP ID to Company or to R & T Agents.

The copies of Annual Reports shall also be made available at the venue of the Meeting.

8)The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 23rd September,2023 to Friday 29th September,2023 (both days inclusive).

9) SEBI through various circulars has made it mandatory for all the shareholders to update the KYC details such as updation of PAN, Address with pin code, Email Address, Mobile number, Bank Account details, Specimen Signature(s), Nomination of shares. Members who are holding shares in electronic i.e. Demat form are requested to contact their respective Depository Participants (DPs) for updation of these details.

It may be noted that as per SEBI advisory, RTA can process other service requests raised by shareholders relating to Request for Dematerialisation, Release of Unclaimed Dividend, Issue of Duplicate certificate etc. only after updation of PAN, KYC and Nomination details as aforesaid. Further, as per SEBI circular, the folios wherein the KYC and Nomination details are not available on or after October 01, 2023 shall be frozen by the RTA.

10) All documents referred in the accompanying Notice are open for inspection at the Work Office of the Company on all working days except Saturday & Sunday between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

11) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members (ROM) of the Company will be entitled to vote at the AGM.

12) Members are requested to:

i. Intimate changes, if any, in their registered address at the earliest.
ii. Furnish PAN with Income Tax Ward/Range/District to the Company.
iii. Quote ledger folio nos. in all the correspondence with the Company and the Transfer Agent. In case shares are held in dematerialized mode,please quote the DP ID No. and client ID in all the correspondence.
iv. Bring the copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
v. Send the queries, if any, at least 7 (Seven) days in advance of the meeting so that the information can be made available at the meeting.

13) Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to register their e-mail addresses with the Company's Registrar and Share Transfer Agents , ***M/s Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093*** for the purpose of service of documents under Section 20 of the Companies Act, 2013. The members are also requested to update their e-mail address in the Depository Account holding shares of the Company in dematerialized mode enabling the Registrar to consider the same. The form for sending the response is annexed at the end of the Annual Report.

14) Brief profile of the Director to be re-appointed including nature of his expertise, names of companies in which he holds directorships and committee memberships, shareholding in the Company and relationships with other directors, etc., are provided in Annexure A of this Notice.

15) **VOTING THROUGH ELECTRONIC MEANS**

- In compliance with provisions of Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Listing Regulations, the Company is pleased to provide members the facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Bigshare Services Private Limited. The Company has entered into an arrangement with Bigshare Services Private Limited for facilitating e-voting for AGM.

-The cut-off date to be eligible to vote by electronic means is ***Saturday, September 23, 2023***.

-A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the meeting through ballot. Any person, who acquires shares of the Company, becomes a member of the company after dispatch of the Notice and holding shares as of the cut-off date may follow the same procedure as mentioned for e-Voting,

-The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

-The E-voting period for all items of business contained in this Notice shall commence from Wednesday, 27th September, 2023 (09.00 A.M. IST) and will end on Friday ,29th September,2023(5.00 p.m. IST).During this period, Equity Shareholders of the Company holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently or cast vote again. The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on cut-off date.

The Company has appointed an Independent Professional **SURESH KUMAR PILLAY,** Practicing **Company Secretary** as **Scrutinizer** to conduct the E-voting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing who shall countersign the same.

The results along with Scrutinizers' report shall be placed on the website (i.e. www.sarveshwarfoods.com) of the Company and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

i.The voting period begins on ***27th September, 2023 and 9:00 A.M and ends on 29th September, 2023 and 5:00 P.M.*** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ***23rd September,2023*** may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.

ii.Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii.Pursuant to ***SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242*** dated ***09.12.2020,*** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iv.In terms of SEBI circular no. ***SEBI/HO/CFD/CMD/CIR/P/2020/242*** dated ***December 9, 2020*** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1.Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

| TYPE OF SHAREHOLDERS | LOGIN METHOD |
|---|---|
| **Individual Shareholders holding securities in Demat mode with CDSL** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4)Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period. |
| **Individual Shareholders holding securities in demat mode with NSDL** | 1)If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period.<br><br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br><br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period. |
| **Individual Shareholders (holding securities in demat mode) login through their Depository Participants** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |

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

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

| LOGIN TYPE | HELPDESK DETAILS |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or Contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

1. ***Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below***:

- You are requested to launch the URL on internet browser: ***https://ivote.bigshareonline.com***
- Click on ***"LOGIN"*** button under the ***'INVESTOR LOGIN'*** section to Login on E-Voting Platform.
- Please enter you ***'USER ID'***(User id description is given below) and ***'PASSWORD'*** which is shared separately on you register email id.
- Shareholders holding shares in ***CDSL demat account*** should enter ***16 Digit Beneficiary ID*** as user id.
- Shareholders holding shares in ***NSDL demat account*** should enter ***8 Character DP ID*** followed by ***8 Digit Client ID*** as user id.
- Shareholders holding shares in physical form should enter ***Event No + Folio Number*** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on ***I AM NOT A ROBOT (CAPTCHA)*** option and login.

***NOTE***:If Shareholders are holding shares in demat form and have registered on to e-Voting system of ***https://ivote.bigshareonline.com*** and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ***'LOGIN'*** under ***'INVESTOR LOGIN'*** tab and then Click on 'Forgot your password?
- Enter ***"User ID"*** and ***"Registered email ID"*** Click on ***I AM NOT A ROBOT (CAPTCHA)*** option and click on ***'Reset'.***

***(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).***

Voting method for shareholders on i-Vote E-voting portal:

- After successful log in, Bigshare E-voting system page will appear.
- Click on “VIEW EVENT DETAILS (CURRENT)” under ‘EVENTS’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “VOTE NOW” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “INFAVOUR”, “NOT IN FAVOUR” or “ABSTAIN” and click on “SUBMIT VOTE”. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “CHANGE PASSWORD” or “VIEW/UPDATE PROFILE” under “PROFILE” option on investor portal.

1.Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: *https://ivote.bigshareonline.com*
- Click on ***“REGISTER”*** under ***“CUSTODIAN LOGIN”***, to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and S***ubmit***.
- After Successful registration, message will be displayed with “User id and password will be sent via email on your registered email id”.

***NOTE:*** If Custodian have registered on to e-Voting system of https://ivote.bigshareonline.com and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘LOGIN’ under ‘CUSTODIAN LOGIN’ tab and further Click on ‘Forgot your password?
- Enter “User ID” and “Registered email ID” Click on I AM NOT A ROBOT (CAPTCHA) option and click on ‘RESET.

(***In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address)***

**Voting method for Custodian on i-Vote E-voting portal:**

- After successful login, Bigshare E-voting system page will appear.

**Investor Mapping:**

- First you need to map the investor with your user ID under “DOCUMENTS” option on custodian portal.
- Click on “DOCUMENT TYPE” dropdown option and select document type power of attorney (POA).
- Click on upload document “CHOOSE FILE” and upload power of attorney (POA) or board resolution for respective investor and click on “UPLOAD”.

***NOTE:*** THE POWER OF ATTORNEY (POA) OR BOARD RESOLUTION HAS TO BE NAMED AS THE “INVESTORID.PDF” (MENTION DEMAT ACCOUNT NUMBER AS INVESTOR ID.)

- Your investor is now mapped and you can check the file status on display.

***Investor vote File Upload:***

- To cast your vote select "VOTE FILE UPLOAD" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "UPLOAD". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "CHANGE PASSWORD" or "VIEW/UPDATE PROFILE" under "PROFILE" option on custodian portal.

| LOGIN TYPE | HELPDESK DETAILS |
|---|---|
| Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at *https://ivote.bigshareonline.com,* under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22. |

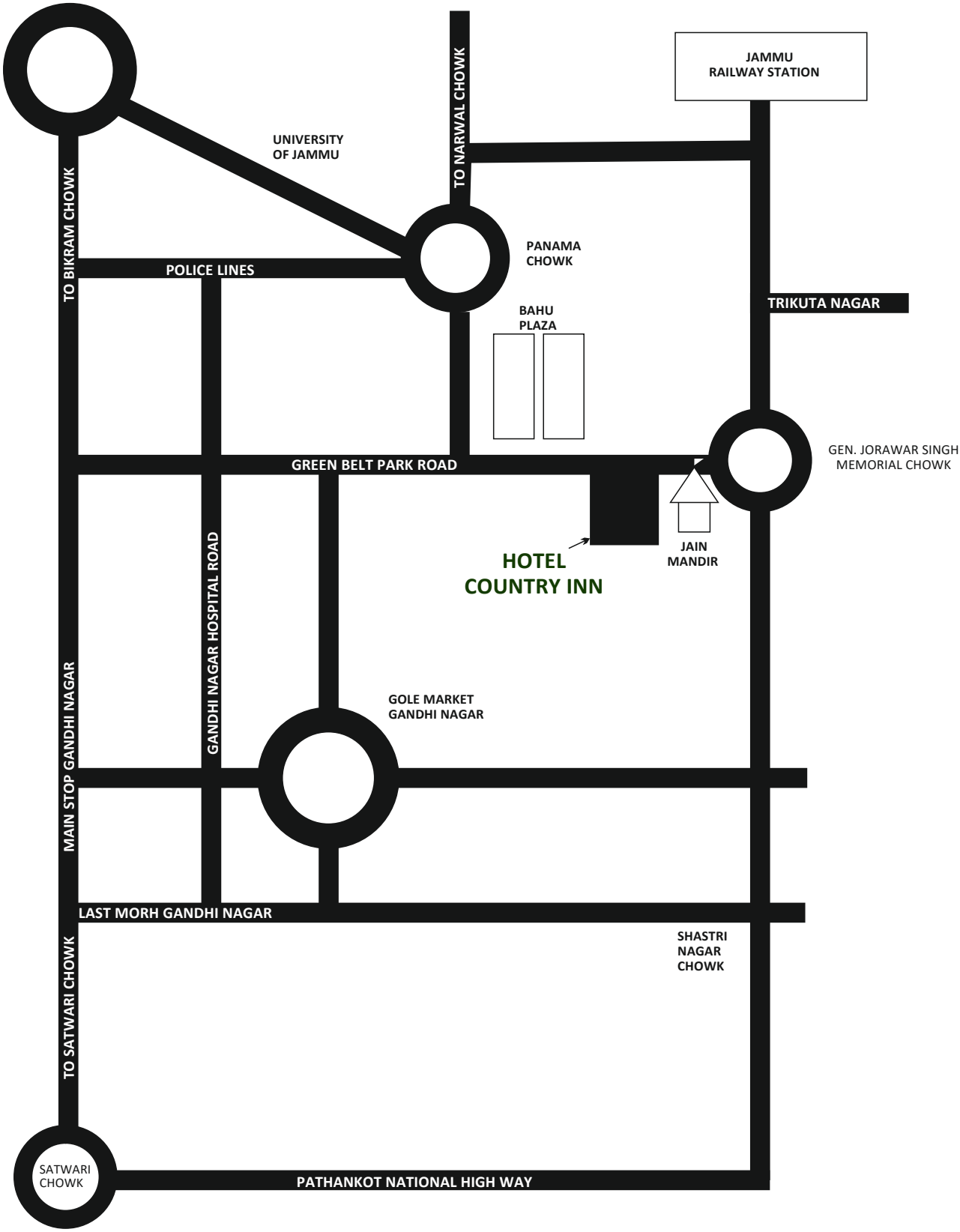
## ANNEXURE-A

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY

**[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meeting**

| Particulars | Harbans Lal |
|---|---|
| DIN | 08571117 |
| Date of Birth and Age | 11/11/1968 and 54 years |
| Nationality | Indian |
| Date of first appointment on the Board | 28/10/2020 |
| Qualification | Intermediate |
| Experience and Expertise | Experience in purchase and sale of Paddy,wheat, Rice etc. |
| Directorship held in other Companies (excluding foreign Companies, Private Companies and Section 8 Companies) | Sarveshwar Overseas Limited<br>Himalayan Bio Organic Foods Limited |
| Chairmanship/ Membership of Committees in other Companies (only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered) | - |
| Relationship with other directors, manager and other key managerial personnel of the Company | Mr. Harbans Lal is not related with other directors, manager and other Key Managerial Personnel of the company |
| No. of shares held | Nil |
| Number of meetings attended during the year | 11 |
| Terms & conditions of appointment/re-appointment | Re-appointment as a Executive Director,liable to retire by rotation. Mr. Harbans Lal would be paid any fixed remuneration. |
| Remuneration sought to be paid and remuneration last drawn | As decided by the board |

## ROUTE MAP OF AGM VENUE



# SARVESHWAR FOODS LIMITED

**(Formerly Known as Sarveshwar Organic Foods Limited)**
**REGD. OFF: SARVESHWAR HOUSE, BELOW GUMMAT, JAMMU (J&K)-180001**
**CIN: L15312JK2004PLC002444**

**Ph: 0191-2481954; 01923-220962; Email: investorrelations@sarveshwarrice.com**

## ATTENDANCE SLIP

**Serial No:**

| | | |
|---|---|---|
| **Registered Folio/ DP ID & Client ID** | | |
| **Name and Address of the Shareholder(s)** | | |
| **Joint Holder 1**<br>**Joint Holder 2** | | |
| **No. of Shares held** | | |

I/We hereby record my/our presence at the Annual General Meeting of the Company being held on Saturday, September 30, 2023 at 11:00 A.M. at ***Country Inn & Suites, by Radisson ,Opposite Bahu Plaza Complex, Gandhi Nagar Extension, Jammu J& K -180004,*** India.

Signature of the Shareholder/Proxy/Authorized Representative:_____

Please fill in the attendance slip and hand it over at the entrance of the meeting hall. Please bring your copy of the annual report for reference at the Meeting.

.....

**ELECTRONIC VOTING PARTICULARS**

The Company is providing facility for remote e-voting (i.e. voting from a place other than venue of Annual General Meeting) and the business as set out in the notice of Annual General Meeting (AGM) may be transacted by the members through such voting. The remote e-voting facility is provided through e-voting platform of Bigshare services Private Limited.

| | | |
|---|---|---|
| EVEN (E-VOTING EVENT NUMBER) | User ID | Password |
| 133 | | |

# SARVESHWAR FOODS LIMITED

**(Formerly Known as Sarveshwar Organic Foods Limited)**
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**Ph: 0191-2481954; 01923-220962; Email: investorrelations@sarveshwarrice.com**

## PROXY FORM
## MGT-11

**Serial No:**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|---|---|
| **Name of the member(s)** | |
| **Registered address** | |
| **E-mail ID** | |
| **Folio No/Client ID** | |
| **DP ID** | |

**I/We, being the member(s) of……shares of the above named company, hereby appoint**

| | |
|---|---|
| **(1) Name of the member(s)** | |
| **E- Mail Id** | |
| **Address** | |
| **Signature** | |

**Or failing her/him**

| | |
|---|---|
| **(2) Name of the member(s)** | |
| **E- Mail Id** | |
| **Address** | |
| **Signature** | |

**Or failing her/him**

| | |
|---|---|
| **(3) Name of the member(s)** | |
| **E- Mail Id** | |
| **Address** | |
| **Signature** | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Annual General Meeting of the Company, to be held on Saturday, 30th September, 2023 at 11.00 A.M. at ***Country Inn & Suites, by Radisson ,Opposite Bahu Plaza Complex, Gandhi Nagar Extension, Jammu J& K -180004***, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolutions | For | Against |
|---|---|---|---|
| 1 | To receive, consider and adopt the Audited Balance Sheet as at 31st of March, 2023 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statements of the company for the financial year ended 31st March, 2023. | | |
| 2 | To appoint Director in place of Mr. Harbans Lal (DIN: 08571117), who retire by rotation and being eligible to offer themselves for re appointment. | | |

**Signed this _____ day of _____ 2023.**

**Signature of Share Holder**

**Signature of Proxy Holder's**

***Note:***

(1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

*(4) This is only optional. Please put a "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "FOR or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# DIRECTORS' REPORT



**TO**

**THE MEMBERS,**

**SARVESHWAR FOODS LIMITED**
**REGISTERED OFFICE: SARVESHWAR HOUSE, BELOW GUMMAT,**
**JAMMU-J&K**

Dear Members,
Your Directors have pleasure in presenting their ***19th Annual Report*** on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2023.

## FINANCIAL RESULTS

Key aspects of Consolidated and Standalone Financial Performance of Sarveshwar Foods Limited for the current Financial Year 2022-2023 along with the previous Financial Year 2021-2022 are tabulated below:

(Rs. In Lakhs)

| PARTICULARS | CONSOLIDATED | | STANDALONE | |
|---|---|---|---|---|
| | Year Ended 31 March, 2023 | Year Ended 31 March, 2022 | Year Ended 31 March, 2023 | Year Ended 31 March, 2022 |
| Revenue from operations | 68,932.40 | 60,472.11 | 32,436.57 | 27,290.80 |
| Other Income | 805.23 | 279.68 | 837.01 | 263.60 |
| **Total Income** | **69,737.63** | **60,751.79** | **33,273.58** | **27,554.40** |
| Expenses | 65,687.13 | 57,745.02 | 31,376.19 | 26061.7 |
| **Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)** | **4050.5** | **3006.77** | **1897.39** | **1492.7** |
| Depreciation and Amortization Expenses | 271.53 | 167.48 | 59.77 | 62.39 |
| Finance Costs | 2,688.84 | 1,974.09 | 1,281.17 | 889.58 |
| **Profit before Exceptional Items and Tax** | **1090.13** | **865.2** | **556.45** | **540.73** |
| Exceptional Items | NIL | NIL | NIL | NIL |
| **Profit before Tax (PBT)** | **1090.13** | **865.20** | **556.45** | **540.73** |
| Tax expense: | | | | |
| Current Year | 341.86 | 244.46 | 160.84 | 130.18 |
| Previous Year Tax | | - | - | - |
| Deferred Tax | (42.93) | 1.05 | (4.04) | 0.81 |
| **Profit After Tax (PAT)** | **791.2** | **619.69** | **399.65** | **409.73** |
| **Share of profit/(loss) of associate** | (11.14) | (283.78) | NIL | NIL |
| Minority Interest | 1.04 | 0.74 | N.A | N.A |
| **Profit after Taxes and Minority Interest** | **779.02** | **3335.18** | **399.65** | **409.73** |
| **Appropriations** | - | - | | - |
| Earning Per Share (Face Value of Rs. 10/- each) | 3.08 | 1.36 | 1.58 | **1.67** |

## FINANCIAL REVIEW:

Your Company is focusing on the strategic pillars of cost efficiency programs, innovation, brand building and distribution in order to sustain growth and profitability. While the inflationary environment continues to pose a challenge, your Company maintained a stable outlook on demand and showcased a strong performance during the financial year 2022-23 under review.

The Highlights of Company's performance for Financial Year 2022-2023 on consolidated basis are as under:

- *Company's Revenue from Operations is Rs 68,932.40 Lacs (31st March,2022 Rs. 60,472.11)*
- *Company's Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) is 4050.5Lacs (31st March,2022 Rs. 3006.77)*
- *Company's Profit before Tax is Rs 1090.13 Lacs.*
- *Company's Profit after Tax is Rs 791.2 Lacs.*
- *Net Worth of the Company is Rs 21384.2 Lacs. (31st March,2022 Rs. 16298.73 Lacs)*
- *Earnings per share ( EPS) is 3.08 (31st March,2022 1.36)*

## DIVIDEND:

The Board wishes to retain all its earnings to further improve the performance of the Company and thus do not recommend any distribution of dividend for the Financial Year ended on 31st March, 2023.

## TRANSFER OF RESERVES:

In view of the robust financial strength of the Company, a sum of ***Rs.20.75 Lacs*** has been transferred to General Reserves out of the amount available for appropriations.

## SHARE CAPITAL:

There is a change in the Authorized Share Capital of the company during the financial year 2022-2023 and the Authorized share capital of the company as on 31st March, 2023 is ***Rs.35,00,00,000*** (INR Rs Thirty Five Crores). There is an increase in Authorized capital of ***Rs.5,00,00,000*** (INR Rs Five Crores).

The paid up equity share capital of the Company as on March 31, 2023 is ***Rs.28,96,72,000 (INR Rs. Twenty Four Crores Fifty Six Lakhs Seventy two Thousand)***.The Company has made a preferential issue of *44,00,000 Equity Shares* of Nominal Value of ₹10/- each, at an issue price of ₹ 81.20/- per Equity Share and of 36,60,000 Fully Convertible warrants at face value of Rs 81.20/- per warrant.

## MATERIAL CHANGES DURING THE YEAR:

### 1. *Sale of Shares of Promoter of the Company*

Mr Rohit Gupta, Promoter of the Company sold 13,44,000 Equity Shares representing 5.47% of the outstanding Share Capital of the Sarveshwar Foods Limited ('the Company') through open market transactions.

Post these transactions, the Promoter and Promoter group stood with 68.20% in the company which was further reduced to 57% pursuant to the preferential allotment made by the company during the year.
Today the Company is being led by the fourth generation of the founding family and as a promoters will continue to carry forward the century old Sarveshwar legacy and drive the company into the future – to achieve new goals and scale new heights.

### 2. *Preferential allotment of 44 ,00,000 Equity shares to Non-Promoter Public category and 36,60,000 Fully Convertible warrants to Promoter and Promoter Group and Non-Promoter Public category*

During the financial year 2022-23, the Company came up with preferential issue of Equity Shares of Rs 44,00,000 Equity Shares Nominal Value of ₹10/- each, at an issue price of ₹ 81.20/- per Equity Share and 36,60,000 fully convertible warrants allotted at a price of Rs. 81.2/- per warrant. The Company had received Rs. 7.4298 Cr. being 25% of the consolidation payable on allotment of said warrants and Rs. 35.72 Cr for allotment of Equity Shares during the year 2022-23. The funds so raised on allotment of fully convertible warrants and equity Shares were fully utilized for Working capital Requirements and General Corporate Purpose. and meeting issue related expenses thus for the purpose for which these were raised and in accordance with the objectives of the said preferential issue stated in the explanatory statement to the notice of Extra Ordinary General Meeting dated January 13, 2023 and there had been no deviation or variation in the use of the proceeds/ funds so raised.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

***Material changes and commitments affecting the financial position of the company occurred between the end of financial year to which this financial statements relates and till the date of this report are mentioned below:***

- ***Conversion of Warrants into Equity Shares***.

During the financial year 2022-23, the Company came up with preferential issue of 36,60,000 fully convertible warrants allotted at a price of Rs. 81.2/- per warrant aggregating to Rs. 29.72 cr. The Company had received Rs. 7.43 Cr. being 25% of the consolidation payable on allotment of said warrants during the year 2023-24. and Rs. 35.72 Cr for allotment of Equity Shares during the year 2022-23.

The funds so raised on allotment of fully convertible warrants and equity Shares were fully utilised for Working capital Requirements and General Corporate Purpose and meeting issue related expenses. Out of which 16,30,000 Fully convertible Warrants, gets converted into Equity shares on payment of balance amount and same gets allotted on Board meeting held on 30th May, 2023.

- ***Sub-division of Ordinary Shares of the Company.***

On August 2, 2023, the Board of Directors of the Company, considered and approved the proposal for sub-division of 1 (one) equity share of the Company having face value of ₹10/- each into 10 (Ten) equity shares of the Company having face value of ₹1/- each ('sub-division') and consequential amendments in the Capital Clause of the Memorandum of Association of the Company, subject to the approval of the Shareholders of the Company and other necessary approvals. The said proposal was approved by the Shareholders of the Company at the Extra Ordinary General Meeting held on August 24, 2023. The Record Date for the sub-division was set as September 05, 2023 and consequently, the face value of the equity shares of the Company (fully paid-up and partly paid-up) was sub-divided to ₹1/- each from ₹10/- each.

- ***Bonus issue of Ordinary shares of the Company.***

On August 2,2023, the Board of Directors of the Company, considered and approved the proposal of Bonus issue of Equity shares of the Company in the ratio of 2:1(i.e Two equity shares for every One equity shares) whose name appeared in Register of members as on the Record date fixed for this purpose ( which is 05th Sept,2023) and consequential amendments in the Capital clause of the Memorandum of Association of the Company, subject to the approval of the Shareholders of the Company and other necessary approvals.
The said proposal was approved by the Shareholders of the Company at the Extra Ordinary General Meeting held on August 24, 2023.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company during the financial year 2022-2023.

## SEGMENT REPORTING:

A separate reportable segment forms part of Notes to the Accounts.

## NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANY DURING THE YEAR

During the Financial year 2022-2023, no entity became or ceased to be subsidiaries ,Joint Venture or associate of the Company.

## SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS:

Your Company has two subsidiaries viz., ***Sarveshwar Overseas Limited, Himalayan Bio Organic Foods Limited.***
Further there has been no material change in the nature of business of the subsidiaries during the financial year 2022-2023. The Consolidated Financial Statements of your Company for the financial year 2022-2023 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations").

The consolidated financial statements have been prepared by consolidating audited financial statements of your Company and its subsidiaries, as approved by the respective Board of Directors. Further, pursuant to the proviso of sub section (3) of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 a separate statement containing the salient features of the financial statements of Subsidiaries of the company in the prescribed Form AOC-1 is given in the Consolidated Financial Statements, forming part of this Annual report. Consolidated Turnover is Rs. 68,932.40 Lacs in current year as compared to Rs. 60,472.11 Lacs in the previous year.

Consolidated Net Profit after Tax is ***Rs. 780.05 Lacs as compared to Rs.335.91 Lacs*** in the previous year. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Sunday and holiday upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013.

Any member desirous of obtaining a copy of the said financial statements may write to the Compliance Officer at the Registered Office / Corporate Office of your Company. The financial statements including the consolidated financial statements, Statement containing salient features of the financial statement of Subsidiaries and all other documents shall also be available on Company's website ***www.sarveshwarfoods.com*** downloadable format.

***Note:*** One of its above subsidiary ***"Himalayan Bio Organic Foods Private Limited"*** which was a private Limited company has been converted into a public Limited Company and its name has been changed to ***Himalayan Bio Organic Foods Limited*** with effect from 07th June,2023.

Further , Company shall be referred with its new name as a Public Limited Company.

## BOARD EVALUATION:

A report in brief on Board evaluation has been given in the Corporate Governance Report which may be taken as forming a part of this Report.

## BOARD OF DIRECTORS:

As on March 31, 2023 your Company's Board has a strength of 09 (Nine) Directors including 1 (One) Woman Director. The Chairman of the Board is a Honorary Chairman. The composition of the Board is as below:

| Category | Number of Directors | % to Total Number of Directors |
|---|---|---|
| Executive Directors (Including Woman Director) | 4 | 44.44 |
| Independent Non-Executive | 4 | 44.44 |
| Non Executive Directors | 1 | 11.12 |

The detailed section on 'Board of Directors' is given in the 'Report on Corporate Governance' forming part of this Annual Report.
Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all directors except Independent Directors are liable to retire by rotation. No Independent Directors are liable to retire by rotation. However, they can resign from directorship any time before their respective tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Harbans Lal, Director retire by rotation at the ensuing Annual General Meeting, are eligible for re-appointment. The brief resume of the Directors being re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting and also forming part of Corporate Governance Report. The Board recommends their re-appointment at the ensuing Annual General Meeting.

## AUDIT COMMITTEE :

As on March 31, 2023, the Audit Committee of Sarveshwar Foods Limited comprises of following 3 (Three) Members, with majority of Independent Non-Executive Directors:

| Name | Nature of Directorship | Designation in Committee |
|---|---|---|
| Mr. Adarsh Gupta | Non-Executive Independent Director | Chairman |
| Dr.Uttar Kumar Padha | Non-Executive Independent Director | Member |
| Mr. Anil Kumar | Executive Director | Member |

All the recommendation made by the Audit Committee was accepted by the Board of Director. The Powers and role of the Audit Committee are included in report on Corporate Governance forming part of this Annual Report.

### KEY MANAGERIAL PERSONNELS:

The Key Managerial Personnels (KMPs) of the Company in accordance with the provisions of Sections 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) are as follows:

| S.No. | Name of KMP's | Designation |
|---|---|---|
| 01. | Mr. Anil Kumar | Managing Director |
| 02. | Mr. Mohit Garg | Chief Financial Officer |
| 03. | Ms. Sadhvi Sharma | Company Secretary & Compliance Officer |
| 04. | Ms.Seema Rani | Whole time Director |

- Resignation of Ms Mansi Gupta from post of Company Secretary and compliance Officer w.e.f 06th May,2022.
- Appointment of Ms Sadhvi Sharma as Company Secretary and compliance Officer w.e.f 06th May,2022.
- Appointment of Mr. Mohit Garg as the Chief Financial Officer of the Company w.e.f 26th May,2022.

**DETAILS OF DIRECTORS APPOINTED AND RESIGNED DURING THE YEAR:**

The following Directors has been appointed and resigned during the year:

| Name of Persons | Designation | Appointment/ Cessation | Date of Appointment/ Resignation |
|---|---|---|---|
| Mr. Tej Partap | Independent Director | Cessation | 10/05/2022 |
| Mr. Tej Partap | Additional Independent Director | Appointment | 03/09/2022 |
| Mr. Pradeep Kumar Sharma | Independent Director | Cessation | 19/07/2022 |
| Mr. Pradeep Kumar Sharma | Additional Independent Director | Appointment | 03/09/2022 |
| Mr. Surjit Singh Bhatoa | Additional Independent Director | Appointment | 03/09/2022 |
| Mr. Surjit Singh Bhatoa | Independent Director | Cessation | 28/03/2022 |
| Mr. Ashu Gupta | Executive Director | Cessation | 07/09/2022 |

**MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES:**

- The disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with a statement containing particulars of employees as required under Section 197 of Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked Annexure-I and forms part of this report.

**POLICY ON REMUNERATION OF DIRECTORS, KMPs, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy of Sarveshwar Foods Limited formulated in accordance with Section 134(3)(e) and Section 178(3) of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force. The salient aspects covered in the Nomination and Remuneration Policy have been outlined below:

- i) To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- ii) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees of Sarveshwar Foods Limited.

- iii) To formulate the criteria for evaluation of Independent Director and the Board.
- iv) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to determining whether to extend or continue the term of appointment of the independent director,On the basis of the report of performance evaluation of independent directors.
- v) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- vi) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- vii) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- viii) To develop a succession plan for the Board and to regularly review the plan.
- ix) To assist the Board in fulfilling responsibilities.
- x) To implement and monitor policies and processes regarding principles of corporate governance.

- The Nomination and Remuneration Policy of the Company is available at the website of the Company www.sarveshwarfoods.com

**NUMBER OF MEETINGS OF THE BOARD:**

- During the Financial Year 2022-2023, Twelve Board meetings were held. For details thereof kindly refer to the section 'Board Meeting and Procedures - Details of Board Meetings held and attended by the directors during the financial year 2022-2023, in the Corporate Governance report of forming part of this Annual Report.

**BOARD EVALUATION:**

- In pursuance of Section 178 of the Companies Act, 2013 read with Regulation 4(2), 17(10) and 19(4) read with Schedule II Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards-I, the Nomination and Remuneration Committee has framed the evaluation process and the performance evaluation of Independent Directors,

Executive Directors and Board as a whole as well as working of its Audit, Nomination & Remuneration and other Committees has been carried out during the financial year 2022-2023.

**STATEMENT OF DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Listing Regulations.. In the opinion of the Board and as confirmed by Independent Directors, they fulfill the conditions specified in section 149 of the Act and the Rules made thereunder and the Listing Regulations about their status as Independent Director of the Company.

Your Board of Directors formed opinion that the Independent Directors of the Company are maintaining highest standard of integrity and possessing expertise, requisite qualifications and relevant experience in the fields of Administration, General management, Accounts & Finance, Audit , Internal Audit, Taxation, Risk, Board procedures, Governance etc., for performing their role as Independent Directors of the Company

## REMUNERATION POLICY:

The Company has framed Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and remuneration policy of the Company in compliance of Section 178 (4) of the Companies Act, 2013. The Policy is available at Company website ***www.sarveshwarfoods.com***

## EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) and Section 134 (3) (a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 the Company has placed the copy of Annual Return as at 31st March, 2023 on its website ***https://sarveshwarfoods.com/investor.asp?id=9***

## AUDITORS:

The Auditors, M/S K R A & CO, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have confirmed that they are not disqualified under any provisions of Section 141(3) of the Companies Act, 2013 and have shown their willingness to accept the office of Statutory Auditors. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits u/s 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 marked as Annexure-II. With reference to Section 134(3)(h) of Companies Act, 2013, all contracts and arrangement with related parties under Section 188(1) entered by the Company during the financial year were in ordinary course of business and on arms length basis.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A policy on 'Related Party Transactions' has been devised by the Company which may be referred to at the Company's website at: ***https://sarveshwarfoods.com/.***

## PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at www.sarveshwarfoods.com.

## REPORTING OF FRAUD:

The Auditors' Report does not contain any qualification and Fraud (as specified under section 143(12) of the Companies Act, 2013). Notes to Accounts and Auditors remarks as their report are self-explanatory and do not call for any further comments.

## DISCLOSURE ABOUT THE RECEIPT OF COMMISSION

In terms of Section 197(14) of the Act and rules made there under, during the year under review, no director has received any commission from the Company thus the said provision is not applicable to the Company.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a Company's subsidiaries and associate marked as Annexure-III [Performance and financial position of each of the subsidiaries companies and associate included in the consolidated financial statement. Whereas, Company does not have any Joint Venture.

## CORPORATE SOCIAL RESPONSIBILITY (CSR):

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 related to CSR activities is detailed in Annexure IV.

## AUDIT COMMITTEE:

In pursuance of Section 177 of the Companies Act, 2013 read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Audit Committee and the details in pursuance of Section 177 (8) of the Companies Act, 2013 in respect of composition of Audit Committee of the Company is given in Corporate Governance Report of the Company.

## SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Act and Rules made there under, M/s. Yamina Almas & Associates, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is marked as Annexure- V to this report.

In terms of Regulation 24A of LODR 2015, Sarveshwar Overseas Limited and Himalayan Bio Organic Foods Limited , a material subsidiary is under secretarial audit and report submitted by the Secretarial Auditors is annexed herewith and marked Annexure–VI. The report is self explanatory and do not call for any further comments

## INTERNAL AUDIT & CONTROLS:

In terms of Compliance of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) rules, 2014, the Company has appointed T Mal & Co., Chartered Accountants, FRN- 019943N as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

## RISK MANAGEMENT POLICY:

Sarveshwar Foods Limited has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management. For comprehensive risk assessment and minimization procedures, the Company has "Risk Management Committee" which plans risk management, reviews, monitors and identify the risk on regular basis.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has not received any significant or material orders passed by any regulatory authority, Court or Tribunal which shall impact the going concern status & Company's operations in future.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In order to enable the Independent Directors to perform their duties optimally, the Board has devised a familiarization programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. They are periodically updated about the development which takes place in the Company. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and commitments etc. The familiarisation program is available on the Company's website: ***www.sarveshwarfoods.com.***

## DECLARATION REGARDING CODE OF CONDUCT:

Directors, Key Managerial Personnel and senior management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by CFO and the Managing Director of the Company forms part of this Annual Report

## STATEMENT OF DEVIATION DISCLOSURE UNDER REGULATION 32(4):

Our Company has made Preferential Allotment of Equity Shares and Allotment of Fully Convertible warrants on 3rd February, 2023. There is no Deviation or Variation in the use or utilization of funds raised through Preferential Issue of equity Shares and Fully Convertible Warrants.

## DISCLOSURE UNDER REGULATION 32 (7A) OF SEBI (LODR) REGULATIONS 2018:

During the financial year 2022-23, the Company came up with preferential issue of Equity Shares of Rs 44,00,000 Equity Shares Nominal Value of ₹10/- each, at an issue price of ₹ 81.20/- per Equity Share and 36,60,000 fully convertible warrants allotted at a price of Rs. 81.2/- per warrant. The Company had received Rs. 7.4298 Cr. being 25% of the consolidation payable on allotment of said warrants and Rs. 35.72 Cr for allotment of Equity Shares during the year 2022-23. The funds so raised on allotment of fully convertible warrants and equity Shares were fully utilized for Working capital Requirements and General Corporate Purpose. and meeting issue related xpenses thus for the purpose for which these were raised and in accordance with the objectives of the said preferential issue stated in the explanatory statement to the notice of Extra Ordinary General Meeting dated January 13, 2023 and there had been no deviation or variation in the use of the proceeds/ funds so raised.

## DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

According to Section 134 (5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has a well placed internal financial control system which ensures all the assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and audit and compliance by Internal Auditors.

## DEPOSITS:

The Company has neither accepted nor renewed any deposits falling under Chapter V of Companies Act, 2013

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## COMPLIANCE WITH THE SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS AND INDIAN ACCOUNTING STANDARDS

During the Financial Year 2022-2023, the Company has complied with all the applicable Secretarial Standards as recommended by the Institute of Company Secretaries of India.
The Company has also complied with all relevant Indian Accounting Standards referred in Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 while preparing the financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report prepared in accordance of Regulation 34(2)(e) of Listing Regulations forms part of this Annual Report for the year ended 31st March, 2023.

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a Whistle Blower Policy/ Vigil Mechanism as required under Section 177 of the Companies Act, 2013 and as per Listing Obligations and Disclosures Requirements Regulations, 2015 formulated by Securities and Exchange Board of India (SEBI). The Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimisation of employees and Directors to avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy may be referred to at the Company's website at : www.sarveshwarfoods.com.

## OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, the Company has not received any complaint of harassment.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### Conservation of energy:

The company continued to give major emphasis for Conservation of Energy, and the measures taken previous year were continued. The efficiency of Energy utilization is being monitored at every Quarter, in order to achieve effective Conservation of Energy. The significant energy conservation during the year were:

| Particulars | 2022-23 | 2021-2022 |
|---|---|---|
| Through Electricity Purchases | | |
| Units | 615801 | 648842 |
| **Total Amount (Rs.)** | **32.70** | **22.14** |
| Through Diesel | | |
| **Total Amount (Rs.)** | **1.30** | **1.45** |

**(a) Lighting:**

To conserve energy from Lighting, replacement of Convectional Lamps, Street Lighting Halogen, HPSV WITH LED Light Fixtures were undertaken at various stations during the year. As LEDs are extremely energy efficient and consume up to 60% less power than incandescent bulbs, this helped in reducing the Power consumption and decreasing the maintenance cost due to its long lifespan.

**(b)Technology,Absorption,Adaptations and Innovation:**

Technology is changing day by day. Over the period of time our organization has taken positive steps in improving the ways of material handling and decreasing the manpower required to a great extent. We have installed a state of art conveying system for material handling and also started use of forklifts to move material easily and effectively inside the factory.

Also we have stated replacing convention drives with variable frequency drives and more atomized systems thus saving energy and also lees electrical breakdowns.)

Some such machines includes the Color Sorters which is one of the critical machine involved in the Rice processing industry. Some of the old lower capacity color sorters were replaced with new upgraded and high capacity machines resulting in reduction of rejection percentage, improvement in final output and increasing overall throughput. The Company has realized and agrees that the continuous improvement can be achieved only if the employees involved in the process directly or indirectly are highly trained on modern techniques and are aware of Global Standards. One such step taken by the Company in that direction is to start Manufacturing Excellence and Improvement Program. The key highlights of this improvement drive were – 5S, Maintenance Improvement Techniques, Reliability Matrix, MTTR & MTBF etc., which are highly beneficial and globally accepted programs for process improvement

**(c) Foreign exchange earnings and Outgo:**

During the year, the total foreign exchange earnings and foreign exchange outgo are as mentioned below:

| **Particulars** | **2022-2023 (Rs. In Lakhs)** | **2021-2022 (Rs. In Lakhs)** |
|---|---|---|
| Foreign Exchange earnings | 14443.25 | 13967.01 |
| Foreign Exchange outgo | 49.9 | 14.08 |

## Human Resources:

Your Company treats its "Human Resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Company maintains healthy, cordial and harmonious industrial relation at all levels. The enthusiasm amongst employees has enabled the Company to remain at a leadership position in the industry.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(C) of the Companies Act, 2013, the Director's based on the representations received from the operating management and after due inquiry confirm that:-
(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) The directors had 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 at the end of the financial year and of the profit and loss of the Company for that period;
(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

In accordance with the applicable provisions of the Companies Act, 2013, the company has no dividend which remains unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account which is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

## DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

## DETAILS OF DIFFERENCE IN VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## LISTING WITH STOCK EXCHANGE:

The Company has received the Final Approval Letter from National Stock Exchange of India Limited dated December 06, 2022 regarding Migration of Equity Shares of Sarveshwar Foods Limited from NSE SME Platform to NSE Main board Platform stating that the Equity Shares of the Company will be migrated from the NSE SME Platform to NSE Main board with effect from Thursday, December 8, 2022.
The Company has also received Final Approval Letter from BSE Limited dated December 07, 2022 for Direct Listing from NSE SME Platform to Main Board Platform of BSE Limited stating that the equity shares of the Company shall be listed and admitted to dealings on the Exchange (Capital Market Segment) with effect from Thursday, December 8, 2022.

## ACKNOWLEDGEMENTS:

Your Director place on record their gratitude to all stakeholder for their assistance, cooperation and encouragement. Your Director also wish to place on record their sincere thanks to all investor, vendor, employees for their outstanding performance.

**Date: 14/08/2023**
**Place: Jammu**

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

**ANIL KUMAR**
**MANAGING DIRECTOR**
**DIN: 07417538**

**HARBANS LAL**
**DIRECTOR**
**DIN: 08571117**

# ANNEXURE INDEX

**Annexure** **Content**

I. Information relating to Remuneration to Directors/ Key Managerial Personal as required under section 197 of Companies Act,2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

II. Form AOC 2 – Related Party Transactions disclosure.

III.Details of subsidiaries and Joint Venture in Form AOC-1.

IV.Report on Corporate Social Responsibility.

V.Secretarial Audit Report of Sarveshwar Foods Limited

VI.Secretarial Audit Report of Sarveshwar Overseas Limited & Himalayan Bio Organic Foods limited.

# ANNEXURE –I

**Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

(i) Ratio of the remuneration of each director to the median remuneration of employees of the Company for the Financial Year 2023 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023:

| *Sl. No.* | *Name of Director/KMP* | *Designation* | *Ratio to Median Remuneration of Employees* | *Percentage increase/(decrease) in remuneration* |
|---|---|---|---|---|
| 1 | MR.ROHIT GUPTA | NON EXECUTIVE CHAIRMAN | - | - |
| 2 | MR.ANIL KUMAR | MANAGING DIRECTOR | 2.18125 | 6.728% (from the last financial year) |
| 3 | MRS. SEEMA RANI | WHOLE TIME DIRECTOR | 1.406 | (9.27%) (from the last financial year) |
| 4 | MR. HARBANS LAL | EXECUTIVE DIRECTOR | 1.235 | (31.05%) (from the last financial year) |
| 5 | MRS.MAHADEEP SINGH JAMWAL | EXECUTIVE DIRECTOR | 1.267 | 8.98% (from the last financial year) |
| 6 | DR. TEJ PARTAP | INDEPENDENT DIRECTOR | - | - |
| 7 | DR. PRADEEP KUMAR SHARMA | INDEPENDENT DIRECTOR | - | - |
| 8 | MR. ADARSH KUMAR GUPTA | INDEPENDENT DIRECTOR | - | - |
| 9 | MR. UTTAR KUMAR PADHA | INDEPENDENT DIRECTOR | - | - |
| 10 | MR. MOHIT GARG (Appointed w.e.f 26.05.2023 and Resigned w.e.f 12.06.2023) | CHIEF FINANCIAL OFFICER | - | 44.45% (during the current financial year) |
| 11 | MRS. SADHVI SHARMA (Appointed w.e.f 06.05.2022) | COMPANY SECRETARY | - | 53.84% (during the current financial year) |

For this purpose, sitting fees paid to the directors has not been considered as remuneration. Non-executive/ Independent Directors are entitled only to sitting fee. The details of remuneration/sitting fee paid are given in Corporate Governance Report.

(i)Percentage increase/(decrease) in the median remuneration of employees in the financial year: 5.54%
(ii)The number of permanent employees on the rolls of Company as on March 31, 2023: 35
(iii)The percentage increase in the salaries of employees other than Managerial Personnel in financial year 2022-23 was 4.15% and the average percentage increase in the remuneration of Managerial Personnel was (1.271)% vis-a-vis the last Financial Year. The increments given to employees are based on their potential, performance and contribution, which is benchmarked against applicable industry norms. Average increase in remuneration for employees other than Managerial Personnel is in line with the industry peers and is also outcome of market competitiveness.

***For and on behalf of the Board of Directors***
***For Sarveshwar Foods Limited***

***Anil Kumar***
***Managing Director***
DIN : 07417538

***Harbans Lal***
***Director***
DIN: 08571117

***Date*** :14 August 2023
***Place :*** Jammu

# ANNEXURE –II

**Form No. AOC-2**
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

**1.Details of contracts or arrangements or transactions not at arm's length basis:**
**None; during the reporting period, all transactions were at arm's length basis.**

(a) Name(s) of the related party and nature of relationship: **N.A**
(b) Nature of contracts/arrangements/ transactions : **N.A**
(c) Duration of the contracts/arrangements/transactions: **N.A**
(d) Salient terms of the contracts or arrangements or transactions including the value: **N.A**
(e) Justification for entering into such contracts or arrangements or transactions: **N.A**
(f) Date of approval by the Board (g) Amount paid as advances: **N.A**
(h) Date on which the resolution was passed in general meeting as required under first proviso to section 188: **N.A**

**2.Details of material contracts or arrangement or transactions at arm's length basis:**
**None; during the reporting period, there was no material* contract or arrangement**

(*As defined under Section 188 of Company Act, 2013 Material Related Party Transaction means transaction which exceeds the threshold Limit as defined u/s 188(1), and SEBI Listing Regulations and adopted by the Board of Directors in the Policy on Related Party Transactions of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds Rs 1000 Crores or 10% of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company, whichever is lower).

(a) Name(s) of the related party and nature of relationship: **N.A.**
(b) Nature of contracts/ arrangements/ transactions: **N.A.**
(c) Duration of the contracts/ arrangements/ transactions: **N.A.**
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
(e) Date(s) of approval by the Board, if any: **N.A.**
(f) Amount paid as advances, if any: **N.A.**

**Note: As per Section 188 of Companies Act,2013 and rules made thereunder and Regulation 23 of SEBI (LODR),2018,Company doesn't have any Material Contracts or arrangements.**

***For and on behalf of the Board of Directors***
***For Sarveshwar Foods Limited***

| | | |
|---|---|---|
| ***Anil Kumar*** | ***Harbans Lal*** | |
| ***Managing Director*** | ***Director*** | ***Date*** :14 August 2023 |
| DIN : 07417538 | DIN: 08571117 | ***Place :*** Jammu |

# ANNEXURE –III

**Statement Containing certain financial information of subsidiaries, associate Companies and Joint Ventures of Sarveshwar Foods Limited as at 31st March 2023**
**Statement pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014**

## PART-A "SUBSIDIARIES/ASSOCIATES"

**(Rs. In Lakhs)**

| S.No. | Particulars | Details of Subsidiaries | |
|---|---|---|---|
| 1. | Name of the subsidiary/Associate | Sarveshwar Overseas Limited | Himalayan Bio Organic Foods Limited |
| 2. | Date since when subsidiary/Associate was acquired | 28/04/2015 | 22/06/2017 |
| 3. | Reporting period for the subsidiary/associate concerned, if different from the holding company's reporting period | N/A | N/A |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N/A | N/A |
| 5. | Share capital Equity<br>Share Capital Preference<br>Share Capital | 1500.00<br>2200.00 | 280.23<br>NIL |
| 6. | Reserves & Surplus | 789.33 | 2,560.9 |
| 7. | Total assets | 22,086.7 | 6,535.98 |
| 8. | Total Liabilities | 22,086.7 | 6,535.98 |
| 9. | Investments | NIL | NIL |
| 10. | Turnover | 24,948 | 14275.31 |
| 11. | Profit/Loss before taxation | 1,36.41 | 397.27 |
| 12. | Provision for taxation | 32.24 | 109.89 |
| 13 | Profit/loss after taxation | 104.17 | 287.38 |
| 14. | Proposed Dividend | NIL | NIL |
| 15. | % of shareholding | 99.00% | 100.00% |

## PART-A "SUBSIDIARIES/ ASSOCIATES

**(Rs. In Lakhs)**

| S. No. | Particulars | Details of Associates |
|---|---|---|
| | Name of the Associate | Natural Global Foods DMCC |
| 1. | Latest audited Balance Sheet Date | 31st March, 2023 |
| 2. | Date since when Associate was acquired | 03/03/2021 |
| 3. | Shares of Associate or Joint Ventures held by the company on the year end | |
| | No. of Shares | 135 |
| | Amount of Investment in Associates or Joint Venture | 135000 |
| | Extent of Holding (in percentage) | 45.00% |
| 4. | Description of how there is significant influence | Holds Total Voting power of 45% in company |
| 5. | Reason why the associate/Joint venture ls not consolidated | N/A |
| 6. | Net worth attributable to shareholding as per latest audited Balance Sheet | 669,538.8 |
| 7. | Profit or Loss for the year | (140,786) |

*****AED: Exchange Rate as on 31/03/2023 is Rs. 22.376 per AED.***

***For and on behalf of the Board of Directors***
***For Sarveshwar Foods Limited***

***Anil Kumar***
***Managing Director***
DIN : 07417538

***Harbans Lal***
***Director***
DIN: 08571117

***Date*** :14 August 2023
***Place :*** Jammu

# ANNEXURE –IV

**Annual report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2023**

**1.Brief outline on CSR Policy of the Company:**
**Y**our Company has a CSR Policy which is uploaded on website of the Company at https://sarveshwarfoods.com/images/recordupload/CSR-POLICY.pdf.
During the year under review, Company has spent Rs. 36.96 Lacs on Rehabilitation of the Children suffered in pandemic during Covid-19 outbreak ,health Support to malnourished Children etc . through Manav Kalyan Foundation and JK Sahitya Samiti Respectively.

**2.Composition of CSR Committee:**

| Sl. No | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Uttar Kumar Padha | Chairman | 1 | 1 |
| 2 | Mr. Anil Kumar | Member | 1 | 0 |
| 3 | Mr. Tej Partap | Member | 1 | 1 |

**3.Provide the web-link where Composition of CSR Committee and CSR Policy approved by the Board are disclosed on the website of the Company:**

Composition of CSR Committee: https://sarveshwarfoods.com/images/recordupload/BOARD-COMMITTEES.pdf
CSR Policy: https://sarveshwarfoods.com/images/recordupload/CSR-POLICY.pdf

**4.Executive summary along with web-link(s) 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 sub-section (5) of Section 135 : **N.A**
(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **N.A**
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **N.A**
(d) Amount required to be set off for the financial year, if any: **N.A**
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ` **N.A**

6.(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ` **36.96 lacs**
(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)]: ` 36.96 lacs
(e) CSR amount spent or unspent for the financial year 2023:

| **Total Amount Spent for the Financial Year (in `)** | **Amount Unspent (in `lacs )** | | | | |
|---|---|---|---|---|---|
| | **Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135** | | **Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135** | | |
| | **Amount** | **Date of transfer** | **Name of the Fund** | **Amount** | **Date of transfer** |
| Rs. 36.96 | N.A | N.A | N.A | N.A | N.A |

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

| Sl. No. | Particular | Amount (in `) |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per sub-section (5) of Section 135 | N.A |
| (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:**

| Sl. No. | Preceding Financial Year(s) | 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 lacs) | 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 | | |
| | 2019-20 | N.A | N.A | 36.96 | NIL | | 42.23 | |

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

**9. Specify the reason(s), if the company fails to spend two percent of the average net profit as per sub section (5) of section 135:**

Due to Covid 19 Outbreak in Year 2020, Company was unable to find the activities in which Company could spent its unspent amount. But now, Company will spend the balance amount during the financial year 2023-24.

***For and on behalf of the Board of Directors***
***For Sarveshwar Foods Limited***

***Anil Kumar***
***Managing Director***
DIN : 07417538

***Harbans Lal***
***Director***
DIN: 08571117

***Date*** :14 August 2023
***Place :*** Jammu

# ANNEXURE –V

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2023**
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To,**
**The Members,**
**Sarveshwar Foods Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ***"M/s Sarveshwar Foods Limited***" (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the ***"M/s Sarveshwar Foods Limited"*** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**PARA ONE**
I have examined the books, papers, minute books, forms and returns filed and other records maintained by **"M/s Sarveshwar Foods Limited"** ("the Company") for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (**Not Applicable to the company during Audit Period)**

(iv) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(v)Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No fresh FDI and ECB was taken by the company during the Audit Period)

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the company during Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the company during Audit Period)**

f ) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the company during Audit Period)**

(h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not Applicable to the company during Audit Period)**

**(**vii) Other laws specifically applicable to the company as identified by the management:

- Foods Safety & Standards Act, 2006 & Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;
- The Boilers Act, 1923 and rules made thereunder;
- Legal Metrology Act, 2009 and Rules & Regulations made there under;
- The Petroleum Act, 1934 and rules made thereunder.
- Electricity Act, 2003 and the respective State Government Policy/ Guidelines for the Wind and Solar Power Projects.
- The Employee's Provident fund & Miscellaneous Provisions Act, 1952
- The Equal Remuneration Act, 1976
- The Maternity Benefit Act, 1961
- The Minimum wages Act, 1948
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Environment (Protection) Act, 1986
- The Employee's State Insurance Act, 1948
- The Factories Act, 1948
- Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1956
- The Industrial Dispute Act, 1947
- The Payment of Bonus Act, 1965

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India;

b) The Listing Agreements entered into by the company with National Stock Exchange of India Limited;

c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the company has generally complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. mentioned above subject to following:

## CSR EXPENDITURE

As per provision of Section 135 of the Companies Act, 2013, CSR expenditure (Spent) for the same amounts to ***Rs 42.23 lacs for the FY 2022-23.***

Observations in Clause (i) Para One of Our Report:

1. According to information and Explanation and verification of forms and returns maintained by Company, the Company as required under Section 403 pays the prescribed additional fees in case of delayed filing.

Based on the information received and records maintained, we further report that:

1.The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2.As per the Information provided by the management adequate notices and shorter notices as well were given to all directors to schedule the board meetings, agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting was held in compliance of the Act.

3.The Company had migrated from SME Exchange to Main Board on 08th Dec, 2022. The Company had followed and complied all the producers/ formalities with the Stock Exchange.

4.Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings. Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by the Director of the Company, and taken on record by the Board of Directors at their meeting (s),

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

We further report that during the audit period the company had certain Material changes/ action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards

## Sale of Shares of Promoter of the Company.

Mr.Rohit Gupta, Promoter of the Company sold 13,44,000 Equity Shares representing 5.47% of the outstanding Share Capital of the Sarveshwar Foods Limited ('the Company') through open market transactions.

Post these transactions, the Promoter and Promoter group stood with 68.20% in the company which was further reduced to 57.84% pursuant to the preferential allotment made by the company during the year.

## Preferential allotment of Shares

The Company had issued Preferential Equity shares (44, 00,000-shares) to Non-Promoter Public category and 36, 60,000 Fully Convertible warrants to Promoter and Promoter Group and Non-Promoter Public category.

**For Aamir Aslam & Associates**
Company Secretaries

**Aamir Aslam**
M.No: 11759
CP No: 18068

Place: Srinagar
Date: 05/08/2023
**UDIN:- F011759E000746053**

# ANNEXURE-1 TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
**M/s. Sarveshwar Foods Limited**
Sarveshwar House, Below Gummat, Jammu
J&K -1800012023 of even date is to be read along with this letter.

Sub: Our Secretarial Audit for the Financial Year ended March 31,

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
category.

**For Aamir Aslam & Associates**
Company Secretaries

**Aamir Aslam**
M.No: 11759
CP No: 18068

Place: Srinagar
Date: 05/08/2023
**UDIN:- F011759E000746053**

# ANNEXURE –VI- A
## FORM NO. MR-3
## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
## [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**
**The Members,**
**SARVESHWAR OVERSEAS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"M/s SARVESHWAR OVERSEAS LIMITED"** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **"M/s SARVESHWAR OVERSEAS LIMITED"** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**PARA ONE**

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **"M/s SARVESHWAR OVERSEAS LIMITED"** ("the Company") for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable to the company during Audit Period)**

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No fresh FDI and ECB was taken by the company during the Audit Period)

(iv) Other laws specifically applicable to the company as identified by the management:

- Foods Safety & Standards Act, 2006 & Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;
- The Boilers Act, 1923 and rules made thereunder;
- Legal Metrology Act, 2009 and Rules & Regulations made there under;
- The Petroleum Act, 1934 and rules made thereunder.
- Electricity Act, 2003 and the respective State Government Policy/ Guidelines for the Wind and Solar Power Projects.
- The Employee's Provident fund & Miscellaneous Provisions Act, 1952

- The Equal Remuneration Act, 1976
- The Maternity Benefit Act, 1961
- The Minimum wages Act, 1948
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Environment (Protection) Act, 1986
- The Employee's State Insurance Act, 1948
- The Factories Act, 1948
- Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1956
- The Industrial Dispute Act, 1947
- The Payment of Bonus Act, 1965

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India;

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. As per the Information provided by the management adequate notices and shorter notices as well were given to all directors to schedule the board meetings, agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting was held in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings. Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by the Director of the Company, and taken on record by the Board of Directors at their meeting (s),

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

**For Aamir Aslam & Associates**
Company Secretaries

**Aamir Aslam**
M.No: 11759
CP No: 18068

Place: Srinagar
Date: 05/08/2023
**UDIN:- F011759E000746053**

## ANNEXURE-1 TO THE SECRETARIAL AUDIT REPORT

**To,**
**The Members,**
**M/s. SARVESHWAR OVERSEAS LIMITED**
**119-A CANAL ROAD JAMMU JK 180001 IN**

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Aamir Aslam & Associates**
Company Secretaries

**Aamir Aslam**
M.No: 11759
CP No: 18068

Place: Srinagar
Date: 05/08/2023
**UDIN:- F011759E000746053**

# ANNEXURE –VI- B

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2023**
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To,**
**The Members,**
**HIMALAYAN BIO ORGANIC FOODS PRIVATE LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "M/s HIMALAYAN BIO ORGANIC FOODS PRIVATE LIMITED" (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **"M/s HIMALAYAN BIO ORGANIC FOODS PRIVATE LIMITED**" books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**PARA ONE**
We have examined the books, papers, minute books, forms and returns filed and other records maintained by **"M/s HIMALAYAN BIO ORGANIC FOODS PRIVATE LIMITED"** ("the Company") for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable to the company during Audit Period)

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No fresh FDI and ECB was taken by the company during the Audit Period)

(iv) Other laws specifically applicable to the company as identified by the management:
v Foods Safety & Standards Act, 2006 & Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;

- The Boilers Act, 1923 and rules made thereunder;
- Legal Metrology Act, 2009 and Rules & Regulations made there under;
- The Petroleum Act, 1934 and rules made thereunder.
- v Electricity Act, 2003 and the respective State Government Policy/ Guidelines for the Wind and Solar Power Projects.
- The Employee's Provident fund & Miscellaneous Provisions Act, 1952
- The Equal Remuneration Act, 1976
- The Maternity Benefit Act, 1961
- The Minimum wages Act, 1948

- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Environment (Protection) Act, 1986
- The Employee's State Insurance Act, 1948
- The Factories Act, 1948
- Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1956
- The Industrial Dispute Act, 1947
- The Payment of Bonus Act, 1965

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India;

Based on the information received and records maintained, we further report that:

1.The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting was held in compliance of the Act.

3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings. Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by the Director of the Company, and taken on record by the Board of Directors at their meeting (s),

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

We further report that during the audit period the company has not incurred any specific event/ action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc. except as follows.

**For Aamir Aslam & Associates**
Company Secretaries

**Aamir Aslam**
M.No: 11759
CP No: 18068

Place: Srinagar
Date: 05/08/2023
UDIN:- F011759E000746053

## ANNEXURE-1 TO THE SECRETARIAL AUDIT REPORT

**To,**
**The Members,**
**M/s. HIMALAYAN BIO ORGANIC FOODS PRIVATE LIMITED**
**House No. 119 A, Sarveshwar Bhawan, Canal Road,**
**Jammu JK 180001 IN**

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Aamir Aslam & Associates**
Company Secretaries

**Aamir Aslam**
M.No: 11759
CP No: 18068

Place: Srinagar
Date: 05/08/2023
UDIN:- F011759E000746053

# CORPORATE GOVERNANCE REPORT

# Corporate Governance Report

"***Sarveshwar Foods Limited" ('the Company')*** believe that good corporate governance is about ensuring that companies are managed as efficiently as possible in the interests of the stakeholders. Efficient corporate governance requires a clear understanding of the respective roles of the Board and of senior management and their relationships with others in the corporate structure. The relationship of the Board and management shall be characterized by sincerity, their relationship with employees shall be characterized by fairness, their relationship with the communities in which they operate shall be characterized by good citizenship, and their relationship with government shall be characterized by a commitment to compliance.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

In Sarveshwar Foods Limited, Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence level. The Board of Directors has the important role of overseeing management performance on behalf of Stakeholders. Stakeholders necessarily have little voice in the day to day management of corporate operations, but have the right to elect representatives (Directors) to look out for their interests and to receive the information they need to make investment and voting decisions. Over the last few years, the Board of Directors of your Company has from time to time developed corporate governance practices to enable the Directors to effectively and efficiently discharge their responsibilities individually and collectively to the shareholders of the Company in the areas of - fiduciary duties - oversight of the Management – evaluation of the Management performance – support and guidance in shaping company policies and business strategies. Corporate Governance has been a high priority both in letter as well as in spirit. The Company's Board of Directors represents the Stakeholders interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable legal requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to help and assure that the Company is managed in a way designed to achieve this result. The Company is fully compliant with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") formulated by the Securities and Exchange Board of India.

## 2. BOARD OF DIRECTORS:

### A. SIZE AND COMPOSITION OF BOARD

The present policy of Sarveshwar Foods Limited regarding size and composition of the Board is to have an optimum combination of Executive and Non-Executive Directors along with a Woman Director which clearly demarcate the functions of governance and management. As on March 31, 2023, your Company's Board has a strength of 09 (Nine) Directors including 1 (One) Women Director and one (1) Honorary Chairman. The composition of the Board is given below:

| Category | Number of Directors | % to Total No. of Directors |
|---|---|---|
| Executive Directors (Including Woman Director) | 4 | 44.44 |
| Independent Non-Executive Directors | 4 | 44.44 |
| Non Executive Director | 1 | 11.12 |

As on 31st March,2023, there are 4 (Four) Independent Non- Executive Directors on the Board of Sarveshwar Foods Limited which is in compliance with the provisions of Composition of Board as per SEBI Listing Regulations. All Independent Directors are drawn from amongst eminent professionals with expertise in Business/Finance/Law/Public Enterprises and other allied field. All Independent Directors adhere to the criteria defined under Regulation 16 of SEBI Listing Regulations read with the provisions of Section 152, 149 and other applicable provisions of the Companies Act, 2013.

**B. ROTATION OF DIRECTORS:**

Pursuant to the provision of Section 149(13) of the Companies Act, 2013, and as per Amended Articles of Association of the Company, all directors except Independent Directors are liable to retire by rotation. No Independent Directors are liable to retire by rotation. However, they can resign from directorship any time before their respective tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013, and as per Amended Articles of Association of the Company, Mr Harbans Lal Executive Director, will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. This shall not constitute a break in office of Mr Harbans Lal , Executive Director in the Company. All the Directors of the Company are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

**C. BOARD MEETINGS AND PROCEDURES**

**A. *BOARD MEETINGS***

Company's Corporate Governance Policy requires the Board to meet at regular intervals to review and monitor the progress of various projects/activities undertaken. The maximum gap between two board meetings should not be more than 120 (One hundred and twenty) days as prescribed under Regulation 17 of the SEBI Listing Regulations. Additional board meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, the board may also approve resolution by circulation as permitted by the Companies Act, 2013.

**B. *BOARD PROCEDURE***

Board Meetings are governed by a structured agenda. The Agenda is prepared in consultation with the Chairman of the Board of Directors and all other Board Members. The agenda for the meetings of the board together with the appropriate supporting documents are circulated well in advance to all the Board members. Detailed presentations are also made to the Board covering operations, Business Performance, Finance, Sales, Marketing, Global and Domestic Business Environment and related details. All necessary information including but not limited to those as mentioned in Part-A Schedule II of the SEBI Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Board also reviews periodical compliances of all laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations. Members of the senior management team are invited to attend the Board Meetings as and when required, which provides additional inputs to the items being discussed by the Board.

**D. DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S):**

As mandated by Regulation 26 of the SEBI Listing Regulations, none of the Director is a member of more than 10 (Ten) Board level Committees or Chairman of more than 5 (Five) Committees across all listed companies in which he/she is a Director. Directors' attendance at the Board Meetings during the financial year and the last Annual General Meeting (AGM) and also their Directorships and Memberships in other committees are given below:

Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2022-2023:

| Brief Information about Directors | | Attendance Record during financial year 2022-2023 | | | Directorship/Membership/ Chairmanship as on March 31, 2023 | | | Directorships in other listed companies and category of Directorship as on March 31, 2023 |
|---|---|---|---|---|---|---|---|---|
| Name of Directors | Directors Identification Number | Number of Board Meeting held and Attended | | Attendance at the last AGM | Number of Directorships in all Companies* as on March 31, 2023 | Number of Committee Positions held in all Companies* as on March 31, 2023 | | |
| | | Held | Attended | | | Chairman | Member | |
| **Executive Directors:** | | | | | | | | |
| **Mr. Anil Sharma** | 07417538 | 12 | 12 | Yes | 04 | Nil | 03 | • Sarveshwar Overseas Limited,<br>• Himalayan Bio Organic Foods Limited,<br>• Himalayan Ancient Foods Private Limited |
| **Ms Seema Rani** | 08385581 | 12 | 11 | Yes | 02 | Nil | Nil | • Sarveshwar Overseas Limited |
| **Mr. Harbans Lal** | 08571117 | 12 | 11 | Yes | 03 | Nil | Nil | • Sarveshwar Overseas Limited,<br>• Himalayan Bio Organic Foods Limited |
| **Mr. Mahadeep Singh Jamwal** | 09106268 | 12 | 02 | Yes | 01 | Nil | Nil | - |
| **Independent Non-Executive Director:** | | | | | | | | |
| **Dr. Pardeep Kumar Sharma** | 06524014 | 12 | 01 | No | 02 | Nil | Nil | • Himalayan Bio Organic Foods Limited |
| **Dr. Tej Partap** | 07818713 | 12 | 01 | No | 01 | Nil | 04 | - |
| **Dr. Uttar Kumar Padha** | 07242286 | 12 | 07 | Yes | 02 | 02 | 05 | • Sarveshwar Overseas Limited |
| **Mr. Adarsh Kumar Gupta** | 08135776 | 12 | 11 | Yes | 01 | 05 | Nil | • Sarveshwar Overseas Limited |
| **Non –Executive Director** | | | | | | | | |
| **Mr. Rohit Gupta** | 02715232 | 12 | 07 | Yes | 03 | Nil | Nil | • Sarveshwar Overseas Limited,<br>• Himalayan Bio Organic Foods Limited,<br>• Himalayan Ancient Foods Private Limited |

## E. INTER-SE RELATIONSHIP AMONGST DIRECTORS:

There is no inter-se relationship amongst Directors of the company.

## F.FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

i) In compliance with the provisions of Regulation 25 of the SEBI Listing Regulations, all Independent Directors are familiarized about the company, through various programs from time to time, including the following:

(a) nature of the industry in which the company operates;

(b) business model of the company;

(c) roles, rights and responsibilities of Independent Directors; and

(d) any other relevant information.

The policy on the familiarization programs for Independent Directors has been uploaded on the Company's website at www.sarveshwarfoods.com.

## G. KEY BOARD QUALIFICATIONS, SKILLS, EXPERTISE AND ATTRIBUTES

In the context of the Company's business and activities, the Board has identified that kills/expertise/competencies in the areas of General Corporate Management, Entrepreneurship, Business Leadership, Finance, Economics, , Banking, Financial Services, Risk and Governance and Global Business are needed for it to function effectively.

The Company's Board is comprised of individuals who are reputed in these skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. From time to time, Members of the Board have also received recognition from the Government, various Industry Bodies and Business Associations for the contribution made in their respective areas of expertise.
The specific areas of expertise/skills of an individual Board Member, associated with the Company as of March 31, 2023 are as under:

| Name of Director | General Corporate Management including Human Resources | Entrepren-eurship including Strategy and Public Policy | Business Leadership | Finance, Economics, Banking, Financial Services, Risk and Governance | Global Business |
|---|---|---|---|---|---|
| Rohit Gupta | ✓ | ✓ | ✓ | ✓ | ✓ |
| Anil Kumar | ✓ | ✓ | ✓ | ✓ | |
| Seema Rani | | ✓ | ✓ | | ✓ |
| Adarsh Kumar Gupta | | | ✓ | ✓ | |
| Uttar Kumar Padha | | ✓ | | | |
| Mahadeep Singh Jamwal | ✓ | | ✓ | | |
| Harbans Lal | ✓ | ✓ | | | |
| Pradeep Kumar Sharma | ✓ | ✓ | ✓ | ✓ | |
| Tej Pratap | ✓ | ✓ | ✓ | ✓ | |

## H.NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTOR:

| S.No | Shareholder's Name | Shareholding As on 1 April, 2022 | | | Increase/ (Decrease) in shareholding | Reason | Cumulative Shareholding during the year as on 31 March, 2023) | | |
|---|---|---|---|---|---|---|---|---|---|
| | For each of the Non –Executive Directors | No. of Shares at the beginning | % of Total Shares of the company | Convertible securities (warrants) | | | No. of Shares | % of Total Shares of the company | Convertible securities (Warrants) |
| **DIRECTORS:** | | | | | | | | | |
| 01. | **Rohit Gupta** | 1,80,88,800 | 73.629 | NIL | (13,44,000) | Open Market Sale | 1,67,44,800 | 57.81 | 11,60,000 |
| 02. | **Mr.Anil Kumar** | 200 | NIL | NIL | NIL | NIL | 200 | - | NIL |
| 03. | **Mrs. Seema Rani** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 04. | **Mr. Mahadeep Singh Janwal** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 05. | **Mr. Harbans Lal** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 06. | **Dr. Tej Partap** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 07. | **Mr. Adarsh Kumar Gupta** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 08. | **Dr. Uttar Kumar Padha** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 09. | **Dr. Pardeep Kumar Sharma** | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

## I. ROLES AND RESPONSIBILITIES OF THE BOARD:

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the company. As trustee, the Board of Directors has fiduciary responsibility to ensure that the company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

• **Disclosure of Information:**

-Members of Board of Directors and key managerial personnel shall disclose to the Board of Directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

-The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

• **Key functions of the Board:**

- The Board reviews and guides Corporate Strategy, Major Plans of Action, Risk Policy, Annual Budgets and Business Plans; Setting Performance Objectives; Monitoring Implementation and Corporate Performance; and Overseeing Major Capital Expenditures.

- Board monitors the effectiveness of the Company's governance practices and making changes as needed.

-Selects, Compensates, Monitors and, when necessary, replaces key executives and overseeing succession planning.

- Ensures a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

- Monitors and manages potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

- Ensures the integrity of the Company's Accounting and Financial Reporting Systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant standards.

- Oversees the process of disclosure and communications.

- Monitors and reviews Board Evaluation Framework.

- Aligned key managerial personnel and remuneration of Board of Directors with the longer term interests of the company and its shareholders.

- Company has well established committees of the Board of Directors, and their mandate, composition and working procedures have been well defined and disclosed by the Board of Directors.

• **Other responsibilities:**

- The Board provides the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.

- The Board sets corporate culture and the values by which executives throughout a group will behave.

- Board members acts on a fully informed basis, in good faith, with Due Diligence and Care, and in the best interest of the Company and the shareholders.

- The Board encourages continuing directors training to ensure that the Board members are kept up to date.

- Where Board decisions affect different shareholder groups differently, the Board treats all shareholders fairly.

- The Board applies high ethical standards. It takes into account the interests of stakeholders.

- The Board is able to exercise objective Independent Judgement on Corporate Affairs.

- Board considers assigning a sufficient number of Non-Executive Board Members capable of exercising Independent Judgement to tasks where there is a potential for conflict of interest.

- The Board ensures that, while rightly encouraging positive thinking, these do not result in over optimism that either leads to significant risks not being recognized or exposes the company to excessive risk.

- In order to fulfill their responsibilities, board members have access to accurate, relevant and timely information.

- The Board and Senior Management facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

• **Role of Independent Directors:**

Independent Directors have emerged as the cornerstones of the worldwide Corporate Governance movement. Their increased presence in the boardroom has been hailed as an effective deterrent to fraud and mismanagement, inefficient use of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individual, economic and social interests.

Independent Directors plays a key role in the decision making process of the Board. The Independent Directors are committed to act in what they believe to be in the best interest of the Company and its Shareholders. The Independent Directors are professionals, with expertise and experience in general corporate management, Public Policy, Finance, Financial Services and Other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, Independent and experienced perspective. The company benefits immensely from their inputs in achieving its strategic direction.

## J.CODE OF CONDUCT AND DECLARATION REGARDING COMPLIANCE THERETO :

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel.

In terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the Company i.e.www.sarveshwarfoods.com . All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended March 31, 2023 and a declaration to that effect signed by the CFO and Managing Director is attached and forms part of this report.

## K.CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company as required under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct to Regulate, Monitor and Report Trading By Insiders and Code of Practices and Procedures For Fair Disclosure of Unpublished Price Sensitive Information. All Directors, insiders and designated persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code.

## L. BOARD CONFIRMATION ON INDEPENDENT DIRECTORS:

Board opinion confirming that Independent Directors fulfill the conditions specified in these Regulations and are independent of the management. Based on the declaration received from the Independent Directors of the Company at the beginning of the Financial Year 2022-23 and on the basis of available documents and information, the Board of Directors are of the opinion that all the Independent Directors appointed by the Company fulfils the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

## M. RESIGNATION OF INDEPENDENT DIRECTORS

Mr. Surjit Singh Bhatoa resigned as an Independent Director of the Company with effect from close of business hours of March 28, 2023 due to personal reasons.
He further confirmed that there were no other material reasons for his resignation.

The above resignation of the Independent Director also aligns with the Company's succession plan for the Independent Directors to revamp the Board in a phased manner keeping in mind the imminent maximum tenure guidelines as per the statutory provisions.

## 3. COMMITTEES OF THE BOARD:

Sarveshwar Foods Limited has 5 (Five) Board level Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee

## I) AUDIT COMMITTEE:

Composition of the Committee
The audit committee presently consists of the following Directors of the Board:

i) Mr. Adarsh Gupta, Chairman;
ii)Dr. Uttar Kumar Padha, Member;
iii) Mr. Anil Kumar, Member

All the members of the Committee have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Adarsh Kumar Gupta, has more than Thirty six (36) years of experience in the banking sector. He worked with J&K Bank for a period of 36 years at various positions. The Statutory Auditors of the Company attend the meetings of the Committee on the invitation of the Chairman.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors, and notes the process and safeguards employed by each of them.

**Terms of Reference**

The roles, powers and functions of the Audit Committee of Sarveshwar Foods Limited are in accordance with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 and Part-C of Schedule II of the SEBI Listing Regulations.

The scope of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- b. Changes, if any, in accounting policies and practices and reasons for the same;
- c. Major accounting entries involving estimates based on the exercise of judgment by management;
- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements;
- f. Disclosure of any related party transactions; and
- g. Modified opinion(s) in the draft audit report.

5. Reviewing, the quarterly financial statements with the management before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of our Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of our Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Monitoring the end use of funds raised through public offers and related matters;

13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussion with internal auditors of any significant findings and follow up there on;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. To establish and review the functioning of the whistle blower mechanism;

20. Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

21. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and

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

## MEETINGS AND ATTENDANCE

During the financial year 2022-2023, 5 (Five) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by members during the financial year 2022-2023 are as follows:

| S.No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of Attendance |
|---|---|---|---|---|
| 01 | 30/05/2022 | 3 | 2 | 66.66 |
| 02 | 03/09/2022 | 3 | 2 | 66.66 |
| 03 | 02/11/2022 | 3 | 3 | 100 |
| 04 | 14/11/2022 | 3 | 3 | 100 |
| 05 | 14/02/2023 | 3 | 3 | 100 |

## II) NOMINATION AND REMUNERATION COMMITTEE:

Composition of the Committee
The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

i) Mr. Adarsh Gupta, Chairman;
ii) Mr. Tej Partap, Member;
iii) Dr. Uttar Kumar Padha, Member

The purpose of the committee is to screen and to review individuals qualified to serve as executive Directors, Non-Executive Directors and Independent Directors, consistent with criteria approved by the Board.

**Terms of Reference**

The role of the Nomination and Remuneration Committee of Sarveshwar Foods Limited also covers such functions and scope as prescribed under Section 178 of the Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 and Part-D of Schedule II of the SEBI Listing Regulations.

The terms of reference of Nomination and Remuneration Committee are set out below:

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that:

a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report.

3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance;

4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

5. Devising a policy on diversity of the Board of Directors.

## Meetings and Attendance

During the financial year **2022-2023, 4 (Four)** meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by members during the financial year 2022-2023 are as follows:

| S No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of Attendance |
|---|---|---|---|---|
| 01. | 06/05/2022 | 3 | 2 | 66.66 |
| 02. | 26/05/2022 | 3 | 2 | 66.66 |
| 03. | 03/09/2022 | 3 | 2 | 66.66 |
| 04. | 14/11/2022 | 3 | 2 | 66.66 |

**Performance Evaluation of Independent Directors:**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors. The performance evaluation of Independent Directors was done by the entire Board of Directors excluding the directors being evaluated.
Remuneration Policy

The Remuneration policy of the Company is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees and directed towards rewarding performance, based on review of achievements on periodic basis. The remuneration paid to Directors, Key Managerial Personnel (KMP) and Senior Management is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the shareholders (for Directors only) at the General Meeting and such other authorities, as the case may be. The Non-Executive Directors will be paid with the sitting fee, if any, subject to the approval of Board of Directors/including any sub-committee thereof, upto the limit as specified under the Companies Act, 2013 and also in Compliance with the SEBI Listing Regulations. The Nomination and Remuneration policy is available on the website of the company at www.sarveshwarfoods.com

## (III) STAKEHOLDERS RELATIONSHIP COMMITTEE:

Composition of the Committee

The Stakeholders Relationship Committee presently consists of the following Directors of the Board:
i) Mr. Adarsh Gupta, Chairman;
ii) Dr. Tej Partap, Member;
iii) Dr.Uttar Kumar Padha, Member

**Terms of Reference**
The scope of the Stakeholders Relationship Committee is set out below:

1. Resolving the grievances of the shareholders of our Company including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends;

2. Investor relations and redressal of grievances of security holders of our Company in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet, etc.;

3. Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities /subdivision/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates, etc.; and

4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

### Meetings and Attendance

During the financial year 2022-2023 ,1(One) meeting of Stakeholders Relationship Committee were held. Details of Stakeholders Relationship Committee Meetings held and attended by members during the financial year 2022-2023 are as follows:

| S.No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of Attendance |
|---|---|---|---|---|
| 01. | 29/03/2023 | 3 | 2 | 66.66 |

*Mrs. Sadhvi Sharma is the Company Secretary and Compliance Officer of the Company.*

During the financial year 2022-23, the Company had not received any investor complaints and thus no complaints are pending at the end of the year 2022-23. The Company's complaint redressal systems are in order. The Company has designated Email Address exclusively for redressal of investors Complaints i.e. cs@sarveshwarrice.com and the same is also mentioned at the Company's Website.

## IV) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Composition of the Committee

The CSR Committee presently consists of the following Directors of the Board:
i) Dr. Uttar Kumar Padha, Chairman;
ii) Dr. Tej Partap, Member;
iii) Mr. Anil Kumar, Member

**Terms of Reference**

The scope of the CSR Committee is set out below:

The Board recommends that the Company's CSR activities be focused on a few specific areas to create maximum impact and greater visibility. The Board recommends that the Company may consider initiatives in the following areas: The CSR Policy will cover the following focus area which the Company will undertake through its various initiatives:

1. Health
2. Education
3. Community Development
4. Natural Calamities

### Role of CSR Committee:

1. To formulate, modify and recommend to the Board the CSR Policy along with the Annual Action Plan as per the requirements under the Act, which shall include the following:

a.To identify the list of CSR projects/ programme or activities, that are approved to be undertaken as specified under Schedule VII of the Act;

b. The manner of execution of CSR projects or programme;

c.The modalities of utilization of funds and implementation schedules for the CSR projects or programme;

d.To monitor the execution of CSR projects or programme and adherence to the CSR Policy from time to time;

e. To determine if the Company falls under the prescribed criteria to conduct impact assessment for the earlier projects undertaken by it- In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 1 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or rupees fifty lakh, whichever is less.

f.To specify the reasons, if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013, for not spending the amount 8[and, unless the unspent amount relates to any ongoing project transfer such unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year]

2.To hold meetings at regular intervals to review and monitor the progress of the various projects/ activates undertaken.

3.Undertake Impact assessment through third parties for CSR projects whenever applicable;

4.To recommend to Board, the projects that are in line with the CSR Policy.

5.To recommend to the Board the amount of expenditure to be incurred on CSR projects or programme.

6.To ensure that any surplus arising out of the CSR projects/ programme or activities will not form part of the business profit of the Company and will be dealt with in accordance with the Act.

7.To regularly monitor the implementation of the CSR projects/ programme or activities undertaken by the Company.

8.To perform any other functions and ensure due compliance of the provisions of the Act, its Rules, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other laws or regulations from time to time.

The Detailed CSR Policy of the Company is available eat its website www.sarveshwarfoods.com

## Meetings and Attendance

During the financial year 2022-2023, 1(one) meeting of Corporate Social Responsibility (CSR) Committee were held. Details of Corporate Social Responsibility (CSR) Committee held and attended by members during the financial year 2022-2023 are as follows:

| S.No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of Attendance |
|---|---|---|---|---|
| 01. | 29/03/202 | 3 | 2 | 66.66 |

## V) Risk Management Committee:

**Composition of the Committee**

The Risk Management Committee presently consists of the following Directors of the Board:

i) Dr. Uttar Kumar Padha, Chairman;
ii) Dr. Tej Partap, Member;
iii) Mr. Anil Kumar, Member

The purpose of Risk Management Committee of the Board of Directors is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the Identification, Evaluation and Mitigation of Operational, Strategic and External Environment Risks.

**Terms of Reference**

The role of the Risk Management Committee of Sarveshwar Foods Limited is to identify the risks impacting Company's business and formulate and administer Policies/ Strategies aimed at Risk Minimization and risk mitigation as part of risk management.

The scope of the Risk Management Committee is set out below:

- review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- review of operational risks;
- review of financial and reporting risks.
- review of compliance risks
- review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- review the extent to which management has established effective enterprise risk management at the Company;
- inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- review the Company's portfolio of risk and consider it against it's risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- review periodically key risk indicators and management response thereto.

**Meetings and Attendance**

During the financial year 2022-2023, 1(One) meeting of Risk Management Committee were held. Details of Risk Management Committee Meetings held and attended by members during the financial year -2022-2023 are as follows:

| S.No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of Attendance |
|---|---|---|---|---|
| 01. | 11/01/2023 | 3 | 2 | 66.66 |

## 5. SENIOR MANAGEMENT:

Following Senior Management Personnel have resigned or appointed since the closure of Financial year:

| Name of Person | Designation | Appointment/ cessation | Date of Appointment/ Resignation |
|---|---|---|---|
| **Mr. Mohit Garg** | Chief Financial Officer | Cessation | 12/06/2023 |
| **Mr. Manish Purshottamdas Kella** | Chief Financial Officer | Appointment | 27/06/2023 |
| **Mr. Mubarak Singh** | Additional Independent Director | Appointment | 27/06/2023 |
| **Mr. Vishal Narchal** | Chief Operating Officer | Appointment | 27/06/2023 |
| **Mr. Manish Purshottamdas Kella** | Chief Financial Officer | Cessation | 14/08/2023 |

## 6. REMUNERATION OF DIRECTORS:

### (A) ALL PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS

There is no pecuniary relationship or transactions with Non- Executive Directors except payment of sitting fee to Non- Executive Directors ,if any.

### (B) CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The policy provides the criteria and qualification for appointment of Directors, KMP, remuneration to them. The Policy is also available on the website of the Company www.sarveshwarfoods.com .

The remuneration to the Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting. The Non-Executive Independent Directors, are entitled to sitting fees for attending meetings of the Board, its Committees.

### (C) DISCLOSURE WITH RESPECT TO REMUNERATION:

| S.No | Name of Director | Element of Remuneration Package | Details of fixed component | Sitting fee Paid/Payable | Service Contract , Notice period, severance fee | Stock option details , if any |
|---|---|---|---|---|---|---|
| **1** | **Anil Kumar Sharma (Managing Director)** | 10.47 | Fixed | - | - | NIL |
| **2** | **Seema Rani (Whole Time Director)** | 6.75 | Fixed | - | - | - |
| **3** | **Harbans Lal (Executive Director)** | 5.93 | Fixed | - | - | - |
| **4** | **Mahadeep Singh Jamwal(Executive Director)** | 6.08 | Fixed | - | - | - |

### D. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Disclosure regarding Directors appointed/re-appointed is given under the head Directors. Further, the relevant details also forming part of the Notice of 19th Annual General Meeting of the Company.

### 7. GENERAL BODY MEETINGS:

### A. ANNUAL GENERAL MEETING HELD DURING LAST 3 YEARS

| Financial Year | General Meeting | Location | Date | Time |
|---|---|---|---|---|
| **2021-2022** | 18th AGM | Country Inn & Suite, by Radisson, Opposite Bahe Plaza Complex, Gandhi Nagar, Extension, Jammu J&K- 180004 | 29th September, 2022 | 12:00 P.M |
| **2020-2021** | 17th AGM | SFL Meeting Hall,Village Seora,Baba Fareed Nagar, Bisnah–Kunjwani Road, Jammu, J & K -181132 | 29th September, 2021 | 11:00 AM. |
| **2019-2020** | 16th AGM | SFL Meeting Hall,Village Seora,Baba Fareed Nagar, Bisnah–Kunjwani Road, Jammu, J& K -181132 | 29th September, 2020 | 11:00 AM. |

During the last three Annual General Meetings, No special resolutions was passed by the Shareholders of the Company.

***Extra Ordinary General Meetings held during the financial year 2022- 2023:***

Extra Ordinary general meeting held on Friday, January 13, 2023 at 12:00 P.M. at ***Country Inn & Suites, by Radisson ,Opposite Bahu Plaza Complex, Gandhi Nagar Extension, Jammu J& K -180004*** regarding preferential allotment of Equity Shares & Fully convertible warrants

### B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

During the financial year 2022-2023
One Special resolution was passed by Postal Ballot. Following Special Resolution was passed:

**Migration of equity shares of the Company from NSE Emerge (SME platform of NSE) to the Main Board of BSE.**

In order to Obtain Members Approval on Direct Listing of equity shares of the Company from NSE Emerge to Main board of BSE ,the Postal Ballot was notice was issued on 7th May,2022.The Company has received requisite approval from its members vide special Resolution passed by requisite Majority.

| Particulars of Special Resolution | Number and % of votes cast in favour | Number and % of votes cast against |
|---|---|---|
| **Migration of equity shares of the Company from NSE Emerge (SME platform of NSE) to the Main Board of BSE** | 1,89,17,400 (100%) | 0 |

**C.PROCEDURE ADOPTED FOR POSTAL BALLOT**

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, issued by the MCA.

**D . PERSON WHO CONDUCTED POSTAL BALLOT EXERCISE**

Mr. Saumel George, on behalf of Saumel & Associates conducted the postal ballot.

## 8. MEANS OF COMMUNICATION

a. Quarterly Results: Prior intimation of Board Meeting where to consider and approve Unaudited/Audited Financial Results of the Company is given to the Stock Exchanges along with Quarterly results and also disseminated on the website of the Company at www.sarveshwarfoods.com.

b.Newspapers wherein results normally published: The Company normally publishes quarterly, half yearly and annual financial results in Financial Express, Metro Business, English daily, in Daily Aasmaan, Dogra News regional daily widely circulated.
c. Any website, where displayed: www.sarveshwarfoods.com.

## 9. GENERAL SHAREHOLDER INFORMATION:

**A. ANNUAL GENERAL MEETING -DATE, TIME AND VENUE:**

***30TH SEPTEMBER, 2023 AT 11:00 AM AT COUNTRY INN & SUITES, BY RADISSON, OPPOSITE BAHU PLAZA COMPLEX, GANDHI NAGAR, EXTENSION, JAMMU J&K- 180004.***

**B. FINANCIAL YEAR**
1st April to 31st March.

**C. DIVIDEND PAYMENT DATE**
No dividend is recommended for the financial year ended 31st March 2023.

**D. THE NAME AND ADDRESS OF EACH STOCK EXCHANGE(S) AT WHICH THE LISTED ENTITY'S SECURITIES ARE LISTED AND A CONFIRMATION ABOUT PAYMENT OF ANNUAL LISTING FEE TO EACH OF SUCH STOCK EXCHANGE(S)**

Bombay Stock Exchange & National Stock Exchange and Annual Listing Fee upto 2022-23 has been paid.

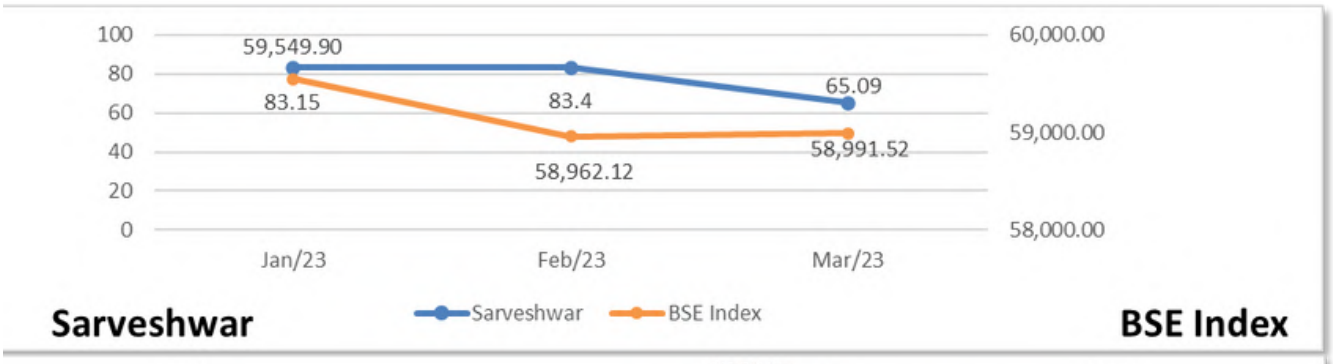
**E. STOCK CODE:**

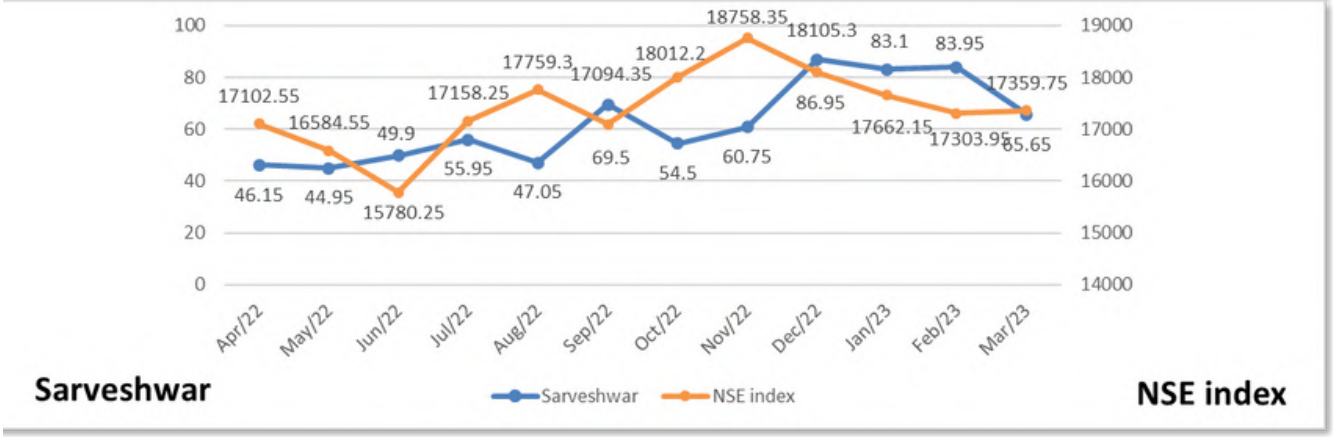
***Scrip code- 543688***
***Symbol- SARVESHWAR***
***ISIN- INE324X01018***

**F. MARKET PRICE DATE** -
High, Low during each month in: last financial year:

| | Sarveshwar at NSE | | | | | Sarveshwar at BSE | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Month*** | ***Price*** | ***Open*** | ***High*** | ***Low*** | ***Volume*** | ***Price*** | ***Open*** | ***High*** | ***Low*** | ***Volume*** |
| **Mar-23** | 65.65 | 83.55 | 86 | 62.4 | 384.39 | 65.09 | 82.3 | 88.95 | 62.6 | 64.46 K |
| **Feb-23** | 83.95 | 84.1 | 89.9 | 71.15 | 845.29K | 83.4 | 84.2 | 89.55 | 71.45 | 96.64K |
| **Jan-23** | 83.1 | 91.95 | 94.5 | 80 | 989.67K | 83.15 | 88.5 | 95.95 | 80.1 | 92.19K |
| **Dec-22** | 86.95 | 61.85 | 95.75 | 60 | 2.39M | | | | | |
| **Nov-22** | 60.75 | 54.25 | 69 | 48.5 | 806.40M | | | | | |
| **Oct-22** | 54.5 | 68 | 70 | 54.5 | 286.40K | | | | | |
| **Sep-22** | 69.5 | 47.1 | 75.5 | 43.45 | 755.20K | | | | | |
| **Aug-22** | 47.05 | 55.8 | 59 | 47.05 | 89.60K | | | | | |
| **Jul-22** | 55.95 | 50.25 | 60.6 | 46.05 | 1.56M | | | | | |
| **Jun-22** | 49.9 | 43.05 | 59.5 | 43.05 | 718.40K | | | | | |
| **May-22** | 44.95 | 46.15 | 59 | 38.5 | 332.80K | | | | | |
| **Apr-22** | 46.15 | 41.5 | 49.35 | 37.2 | 155.20K | | | | | |

**G. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX, CRISIL INDEX ETC:**



## H. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS:

Bigshare Services Pvt. Ltd,
Office No: S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai – 400093.
Board No : 022 – 62638222 Extn : 210 | M : +91 7045454393
charmi@bigshareonline.com | www.bigshareonline.com

## I.SHARE TRANSFER SYSTEM

All requests of transfer, transmission and so on if any are being handled by Registrar and share transfer agent. The transfer requests are normally processed within 15 days of receipt of documents, if documents are found in order. Shares under objections are returned within two weeks The Company's shares being in compulsory Demat list are transferable through the depository system. The Company obtains yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice and Registrar and Share Transfer Agent as required under Regulation 40 (9) and 7(3) of the Listing Regulations respectively and files a copy of the certificate with the Stock Exchanges on or before the due date.For guidance on depository services, shareholders may write to the Company or to the respective depositories:

| | |
|---|---|
| **National Securities Depository Limited (NSDL)**<br>Trade World, 4th Floor<br>Kamala Mills Compound<br>Senapati Bapat Marg, Lower Parel<br>Mumbai – 400 013<br>Telephone: 022 – 24994200<br>Facsmile: 022 – 24972933<br>E-mail: investor@nsdl.co.in<br>Website: www.nsdl.co.in | **Central Depository Services (India) Limited (CDSL)**<br>Marathon Futurex, A-Wing,25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013<br>Telephone: 022 – 22723333<br>Facsmile: 022 – 22723199<br>E-mail: info@cdslindia.com<br>Website: www.cdslindia.com |

## J. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

The Company has not issued GDRs or ADRs. During the financial year 2022-23, the Company had allotted 36,60,000 Fully Convertible warrants into equity shares on preferential basis to 'Promoter & Promoter Group' and 'Non Promoter, Public Category'. As on March 31, 2023, all 36,60,000 Fully Convertible warrants allotted on preferential basis to 'Promoter & Promoter Group' and 'Non Promoter, Public Category' were outstanding and pending to be converted into equity shares within a period of 18 months from the date of allotment.Out of the allotted warrants, 16,30,000 Warrants get converted into Equity shares and same get allotted on Board Meeting dated 30th May, 2023 and remaining 20,30,000 Warrants also get converted into Equity Shares and same get allotted on Board Meeting dated 14th August,2023 but the In principle Approval and Corporate Action is under process for approval.

## K.DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH,2023

| Nominal Share Holders | Number of Shareholders | Percentage of Shares | Share Amount | Percentage % |
|---|---|---|---|---|
| 1 -500 | 804 | 37.5350 | 1,11,724 | 0.39 |
| 501-10000 | 179 | 8.3567 | 1,46,939 | 0.51 |
| 1001-20000 | 778 | 36.3212 | 12,27,195 | 4.24 |
| 2001-30000 | 47 | 2.1942 | 1,18,234 | 0.41 |
| 3001 -40000 | 101 | 4.7152 | 3,30,476 | 0.14 |
| 4001-50000 | 45 | 2.1008 | 2,14,247 | 0.74 |
| 5001-100000 | 85 | 3.9683 | 6,23,470 | 2.15 |
| 10001 & Above | 103 | 4.8086 | 2,61,94,915 | 90.43 |
| Total | 2142 | 100 | 2,89,67,200 | 100.00 |

## SHAREHOLDING PATTERN AS ON 31st MARCH, 2023:

| Category | No. of shares of face Value of Rs. 10/- Each | % Of shareholding |
|---|---|---|
| Promoters/Promoters Group | 1,67,55,600 | 57.84 |
| Public | | |
| Foreign Portfolio Investors | 7,24,000 | 2.49 |
| Non Promoters | 200 | 0.0007 |
| Individuals<br>- i. Individual shareholders holding nominal share capital up to Rs. 2 Lakhs | 2838842 | 9.80 |
| INDIVIDUAL<br>- ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs | 5900977 | 20.37 |
| Non Resident Indians (NRIs) | 963128 | 3.32 |
| Bodies Corporate | 1262461 | 4.36 |
| Clearing Member | 92399 | 0.32 |
| Hindu Undivided Family | 429593 | 1.48 |
| Total | 2,89,67,200 | 100 |

**TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON MARCH 31, 2023**

| No. | SHAREHOLDER'S NAME | SHARES | PERCENTAGE CAPITAL |
|---|---|---|---|
| 1. | **NUTESH SINGLA** | 1000000 | 4.0705 |
| 2. | **PALADUGU DHANANJAYA RAO** | 343427 | 1.3979 |
| 3. | **NADIKATTU RAMI REDDY** | 157909 | 0.6428 |
| 4. | **DR RAMESH CHIMANLAL SHAH** | 142400 | 0.5796 |
| 5. | **SUBHASH P RATHOD** | 121600 | 0.495 |
| 6. | **MAHENDRA GIRDHARILAL WADHWANI** | 85122 | 0.3465 |
| 7. | **MANISH VINOD MEHTA** | 78400 | 0.3191 |
| 8. | **MR. PARESH RASIKLAL SHAH** | 72000 | 0.2931 |
| 9. | **SAHIL GUPTA** | 64000 | 0.2605 |
| 10. | **NIDHI GUPTA** | 60000 | 0.2442 |

### L. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

As at 31" March, 2023 2,89,67,200 Equity shares and all shares are held in the dematerialized form. The Company's shares are liquid and actively traded on the BSE & NSE.

### M.PLANT LOCATIONS:

### COMPANY HAS 3 PLANTS INCLUDING ITS SUBSIDIARIES:

1.Village Seora, Baba Fared Nagar, Bishnah- kunjwani Road, Bishnah Adda, Jammu-181132.

2.Lane No. 04, Phase. II SIDCO Industrial Complex Bari Brahmna I/complex Jammu -181133.

3.Industrial Shad No. 01, Survey No.253/1, Mithi Rohar, Gandhidham Gujarat – 370201.

### N.ADDRESS FOR CORRESPONDENCE:

Sarveshwar Foods Limited
Sarveshwar House, Below Gummat, Jammu-J&K
E-mail: investorrelations@sarveshwarrice.com

### O. LIST OF CREDIT RATING ALONG WITH REVISIONS DURING RELEVANT FINANCIAL YEAR.

During the year under consideration, Infomerics has carried out a credit rating assessment of the Company for both short term and long term exposures, with Stable outlook.

The Rating of the Company for the Bank Facilities as under:

- Long Term facilities IVR BBB/ with Stable outlook.
- Short Term facilities IVR A3+

## 10.OTHER DISCLOSURES:

### A. MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms part of this report.

### B. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions as required by the Indian Accounting Standard Ind AS-24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) disclosed in Notes to the Annual Accounts. Members may refer to the notes to accounts for details of Related Party Transactions. However these are not having potential conflict with the interest of the Company at large.

The Company has formulated a Policy on Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of the Companies Act, 2013 read with the provisions of Regulation 23 of the SEBI Listing Regulations. The policy is available at Company website www.sarveshwarfoods.com

### C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed prescribed Indian Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs in preparation of its financial statements. Kindly refer to Note No. 2 of the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.

## D. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES,STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) ORTHE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS.

The Company has paid penalty of Rs 105000 for delay in publishing Financial Results for the Financial Year ended on 31 March, 2021 in accordance with Regulation 33 of Sebi (LODR) Regultaion,2015. The penalty was imposed in terms of provisions of System Operating process. The reasons for delay was ill health of CFO of the Company and his unavailability to attend and present the Financials in the Board Meeting. Meeting was postponed due to this reason and was health when his condition stabilized and he resumed the Office.

Further, Company also paid fine of Rs 78000 & Rs 19000 to National Stock Exchange of India Limited for delay in appointment of Company Secretary in accordance with Regulation 34 of Sebi (LODR) Regultaion,2015. The detailed reason for delay for appointment of Company Secretary was filed with the exchange.

Further, Company also paid fine of Rs 22000 to National Stock Exchange of India Limited for delay in filing of Annual Report for the Financial Year Ended 31 March, 2021.

Furthermore, Company has also paid fine of Rs 10,000 for non compliance of Regulation 29 relation to prior intimation of Board Meeting during the financial year 2021-22

Except above mentioned delay compliance, there was no other case of non-compliance and no other penalties was imposed by stock exchange or SEBI or any other statutory Authorities for any violation during the Financial year 2022-2023.

## E. MATERIAL SUBSIDIARY COMPANIES:

Sarveshwar Foods Limited has two material subsidiaries i.e. Sarveshwar Overseas Limited, Himalayan Bio Organic Foods Limited as defined under Regulation 16(1)(c) of the SEBI Listing Regulations.
The Company has formulated a policy for determining its Material Subsidiaries and the same is available on the website of the Company at www.sarveshwarfoods.com

## F. VIGIL MECHANISM POLICY

The Company promoted ethical behavior in all its business activities and in line with the best governance practices, Sarveshwar Foods Limited has established a system through which Directors, employees, business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has a policy, under which all Directors, Employees, Business Associates have direct access to the Chairman of the Audit Committee. The Policy has been disclosed on the website of the company at www.sarveshwarfoods.com
No person has been denied access to the Audit Committee for any grievance.

## G. DETAIL OF COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS:

The Company has fully complied with the mandatory requirements of SEBI (LODR) Regulations, 2015.Adoption of Non-Mandatory requirements under SEBI (LODR) Regulations, 2015 are reviewed by the Board from time to time.

## H. WEB LINK WHERE POLICY FOR DETERMINING MATERIAL SUBSIDIARIES IS DISCLOSED:

Company have two Material Subsidiary as defined under Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015. Company have formulated a policy to determine material subsidiary and available on website also at https://sarveshwarfoods.com/investor.asp?id=12 .

## I. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Company have formulated Policy on Dealing with Related Party transactions as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015. It is also available on website also at https://sarveshwarfoods.com/investor.asp?id=12 .

**J. DETAILS OF UTILIZATIONOF FUNDS RAISEDTHROUGH PREFERENTIAL ALLOTMENTOR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).**

During the financial year 2022-23, the Company came up with preferential issue of Equity Shares of Rs 44,00,000 Equity Shares Nominal Value of ₹10/- each, at an issue price of ₹ 81.20/- per Equity Share and 36,60,000 fully convertible warrants allotted at a price of Rs. 81.2/- per warrant. The Company had received Rs. 7.42 Cr. being 25% of the consolidation payable on allotment of said warrants and Rs. 35.72 Cr for allotment of 44,00,000 equity shares @ Rs 81.20/- during the year 2022-23. The funds so raised on allotment Equity shares and convertible warrants were fully utilized for Working capital Requirements and General Corporate Purpose. and meeting issue related expenses thus for the purpose for which these were raised and in accordance with the objectives of the said preferential issue stated in the explanatory statement to the notice of Extra Ordinary General Meeting dated January 13, 2023 and there had been no deviation or variation in the use of the proceeds/ funds so raised.

**K. A CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY.**

Annexed below

**L.RECOMMENDATIONS OF THE COMMITTEES**

All the recommendations made by the all the Committees were accepted by the Board.

**M. DETAILS OF FEES PAID TO STATUTORY AUDITORS OF THE COMPANY.**

M/S KRA & Co, Chartered Accountants, New Delhi, having Firm Registration No. 020266N has been appointed as Statutory Auditor of the Company and its subsidiaries with effect from the conclusion of 18th AGM of the company held in 2022 until the conclusion of 23rd AGM of the company to be held in 2027. The fees paid to statutory Auditors is as per the terms decided between the Board and Auditor.

**N. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formulated policy for prevention of sexual harassment of its women employees.
During the year 2022-2023,No Complaints were received by the Company and no complaints were pending at the end of the Financial year.

**O. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF LOAN & ADVANCES**

| Sr. No. | Name of Lendor | Name of Borrower | Interested Director* | Opening Balance as on April 01, 2022 | Outstanding as March 31, 2023 |
|---|---|---|---|---|---|
| 1. | **Sarveshwar Foods Limited** | **Sarveshwar Overseas Limited** | Rohit Gupta<br>Anil Kumar | 826.04 lacs | 904.52 lacs |

## P . DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY

| Name of Company | Date of incorporation | Place | Name of Statutory Auditor | Date of Appointment/ Reappointment |
|---|---|---|---|---|
| Sarveshwar Overseas Limited | 28th April, 2015 | Jammu | KRA & Co | 28th September,2022 |
| Himalayan Bio Organic Foods Limited | 9th February, 2015 | Jsmmu | KRA & Co | 27th September,2022 |

## 11. ADOPTION OF NON-MANDATORY REQUIREMENTS:

**I. The Board**
The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director or CEO.

**II. Shareholder Rights**
Quarterly/Half yearly/yearly financial results are forwarded to the Stock Exchanges and also uploaded on the website of the Company. The same are also published in required newspapers.

**III. Audit Qualifications**
There was no audit qualification in the Auditors' Report on the Company's financial statements for the year 2022-23.

**IV. Reporting of Internal Auditor**
The Internal Auditor of the Company reports to and presents his internal audit observations to the Audit Committee.

## 12. RISK MANAGEMENT

As required under Regulation 21 of the SEBI Listing Regulations, the Company has a review procedure to apprise the Board of Directors of the Company on the Key Risk Assessment areas and suggest Risk Mitigation Mechanism.

## 13. CEO/ CFO CERTIFICATION

CFO certification on the Financial Statements and the cash flow statement for the year is given at the end of the report on Corporate Governance.

For guidance on depository services, shareholders may write to the Company or to the respective depositories:

| | |
|---|---|
| **National Securities Depository Limited (NSDL)**<br>Trade World, 4th Floor<br>Kamala Mills Compound<br>Senapati Bapat Marg, Lower Parel<br>Mumbai – 400 013<br>Telephone: 022 – 24994200<br>Facsmile: 022 – 24972933<br>E-mail: investor@nsdl.co.in<br>Website: www.nsdl.co.in | **Central Depository Services (India) Limited (CDSL)**<br>Marathon Futurex, A-Wing,25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013<br>Telephone: 022 – 22723333<br>Facsmile: 022 – 22723199<br>E-mail: info@cdslindia.com<br>Website: www.cdslindia.com |

## 14. RECONCILIATION OF SHARE CAPITAL AUDIT

Mr. Aamir Aslam, M/s Yamina Almas & Associates, Membership Number-F11759, CP Number -18068, Practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the Reconciliation of Total Issued and Listed Capital with that of total share capital admitted / held in Dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed.

# CORPORATE GOVERNANCE CERTIFICATE

To,
The Members
Sarveshwar Foods Limited
(CIN: L15312JK2004PLC002444)
Sarveshwar Housebelow Gumat,
Jammu, Jammu and Kashmir-180001.

We have examined the compliance of conditions of Corporate Governance by Sarveshwar Foods Limited ("the Company"), for the financial year ended on March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

***For Aamir Aslam & Associates***
***Company Secretaries***

***Aamir Aslam***
***M.No: 11759***
***CP No: 18068***

***Place: Srinagar***
***Date: 11/08/2023***

# CODE OF CONDUCT

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company viz. www.sarveshwarfoods.com.

It is further confirmed that all the Directors and Senior Management have affirmed their compliance with the Code for the Financial Year ended March 31, 2023.

***For and on the behalf of***
***Sarveshwar Foods Limited***

***Anil Kumar***
***(Managing Director)***
***(DIN: 07417538)***

***Date:02.08.2023***
***Place: Jammu***

## CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Board of Directors,
Sarveshwar Foods Limited.

We, Anil Kumar, Managing Director and Manish Purshottamdas Kella, Chief Financial Officer of Sarveshwar Foods Limited, pursuant to the requirement of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our knowledge and belief, hereby certify that:-

A. We have reviewed Audited Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2023 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the Financial Year ended March 31, 2023;
(ii) significant changes in accounting policies during the said Financial Year and that the same have been disclosed in the notes to the Financial Statements; and
(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on the behalf of**
**Sarveshwar Foods Limited**

**Anil Kumar**
**(Managing Director)**
**(DIN: 07417538)**

**Manish Purshottamdas Kella**
**(Chief Financial Officer)**

**Date:02.08.2023**
**Place: Jammu**

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To,**
**The Members,**
**SARVESHWAR FOODS LIMITED**
**SARVESHWAR HOUSE BELOW GUMAT**
**JAMMU AND KASHMIR JK 180001 IN**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sarveshwar Foods Limited having CIN L15312JK2004PLC002444 and having registered office at SARVESHWAR HOUSEBELOW GUMAT JK (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

***For Aamir Aslam & Associates Company Secretaries***

***Aamir Aslam***
***M.No: 11759***
***CP No: 18068***

***Place: Srinagar***
***Date: 04-08-2023***

***Udin:- F011759E000742797***

# FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF SARVESHWAR FOODS LIMITED

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the standalone financial statements of **SARVESHWAR FOODS LIMITED** ("the Company"), which comprise the balance sheet as at March 31,2023, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate

### Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, the Board of Directors 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.

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

### Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KRA & Co**
**Chartered Accountants**
**(Firm Registration No 020266N)**

**CA Gunjan Arora**
**Partner**
**Membership No.: 529042**
**UDIN: 23529042BGUGUU1898**
**Place: New Delhi**
**Date: 30th May 2023**

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS of SARVESHWAR FOODS LIMITED**
**(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has maintained proper records showing full particulars of Intangible Assets.

(b) In accordance with the phased program for verification of Property, Plant and Equipment, certain items of Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any Property, Plant and Equipment during the year. Consequently, clause (i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so. Consequently, clause (i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventories at reasonable interval during the year and no material discrepancies (10% or more in the aggregate for each class of inventory) were noticed on physical verification of inventories. In our opinion the coverage and procedure of such verification by the management is appropriate.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned with working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks or financial statements are in agreement with the books of accounts of the Company.

(iii) (a) The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loan or advance in the nature of loan granted which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. Consequently, clause (iii)(e) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposit during the year. Consequently, clause (v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not required to maintain cost records specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of Company's products. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of the books of account, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and any other dues, during the year, with the appropriate authorities.

(b)There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable. Further, there were undisputed amounts payable in respect of Income tax in arrears as at March 31, 2023 for a period of more than 6 months payable.

(c) There are no dues of Income-tax, Sales-tax, Excise Duty, GST and Service Tax which have not been deposited as on March 31, 2023, on account of disputes with the related authorities.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company,term loans were applied for the purpose for which the loans were obtained;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the funds raised on short term basis have not been utilized for long term purposes. Consequently, clause (ix)(d) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(e) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) (a) The Company has not raised any money during the year by way of Initial Public Offer (IPO). Consequently, clause (x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has made private placement of shares and Share warrants under review and the requirement of section 42 and section 45 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised;

(xi)(a)To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b)According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c)According to the information and explanations given to us, no whistle blower complaints has been received during the year. Consequently, clause (xi)(c) of the Order is not applicable to the Company.

(xii)In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.

(xiii)In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the financial statements, as required by the applicable Accounting Standards.

(xiv) (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the reports of the Internal Auditors for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, requirement under clause (xv) is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(xvii) The company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There is no resignation of the Statutory Auditor during the year, hence no clause is applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the 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) In our opinion and according to the information and explanations given to us, the Company is not required to be spend under section 135 of the Companies Act, 2013. Consequently, clause (xx) of the Order is not applicable to the Company.

**For KRA & Co**
**Chartered Accountants**
**(Firm Registration No 020266N)**

**CA Gunjan Arora**
**Partner**
**Membership No.: 529042**
**UDIN: 23529042BGUGUU1898**
**Place: New Delhi**
**Date: 30th May 2023**

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SARVESHWAR FOODS LIMITED.

### (Referred to in Paragraph 2 point (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of S**ARVESHWAR FOODS LIMITED** ("the Company") as at March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KRA & Co**
**Chartered Accountants**
**(Firm Registration No 020266N)**

**CA Gunjan Arora**
**Partner**
**Membership No.: 529042**
**UDIN: 23529042BGUGUU1898**
**Place: New Delhi**
**Date: 30th May 2023**

# Standalone Balance Sheet as at March 31, 2023

## SARVESHWAR FOODS LIMITED

| | Note No. | (in Lakhs) As at 31-Mar-2023 | (in Lakhs) As at 31-Mar-2022 | (in Lakhs) As at 1-Apr-2021 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non current assets** | | | | |
| Property, Plant and Equipment and Intangible assets | | | | |
| (i) Property, Plant and Equipment | 2 | 279.56 | 326.08 | 380.06 |
| (ii) Right-of-use Asset | | | | |
| (ii) Intangible assets | | 1.98 | 3.59 | 5.38 |
| Financial Assets | 3 | | | |
| Investments | | 3,016.23 | 3,016.23 | 3,016.23 |
| Loans | | 921.51 | 842.74 | 1,173.04 |
| Others | | 7.36 | - | - |
| Deferred Tax Assets (Net) | 4 | 21.50 | 17.46 | 18.27 |
| | | 4,248.13 | 4,206.09 | 4,592.97 |
| **Current assets** | | | | |
| Inventories | 5 | 14,794.61 | 10,683.48 | 10,785.66 |
| Financial Assets | | | | |
| Trade receivables | 6 | 9,795.05 | 9,876.60 | 10,026.44 |
| Cash and bank balances | 7 | 11.73 | 13.89 | 22.49 |
| Loans | 8 | 915.86 | 1,101.44 | 109.42 |
| Other Financial Assets | 9 | 30.68 | 32.13 | 102.73 |
| Other Current Assets | 10 | 3,901.41 | 3,446.20 | 139.35 |
| | | 29,449.34 | 25,153.75 | 21,186.10 |
| | | 33,697.47 | 29,359.84 | 25,779.07 |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Equity Share Capital | 11 | 2,896.72 | 2,456.72 | 2,456.72 |
| Other Equity | 12 | 14,050.84 | 9,788.55 | 9,471.97 |
| | | 16,947.56 | 12,245.27 | 11,928.69 |
| **Liabilities** | | | | |
| **Non current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 13 | 2,118.32 | 2,415.59 | 1,873.70 |
| Long term provisions | 14 | 5.09 | - | - |
| | | 2,123.40 | 2,415.59 | 1,873.70 |
| **Current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 15 | 11,342.85 | 10,518.38 | 10,008.57 |
| Trade payables | 16 | | | |
| (i) Total Outstanding dues of Micro and Small Enterprises | | 34.66 | - | - |
| (ii) Total Outstanding dues other than Micro and Small Er | | 2,645.16 | 3,506.87 | 1,552.22 |
| Other Finanical Liabilties | 17 | 361.81 | 513.40 | 273.60 |
| Short term provisions | 18 | 0.15 | - | - |
| Other current liabilities | 19 | 113.96 | 77.40 | 47.54 |
| Current Tax Liability (Net) | 20 | 127.92 | 82.93 | 94.75 |
| | | 14,626.50 | 14,698.98 | 11,976.68 |
| | | 33,697.47 | 29,359.84 | 25,779.07 |
| Significant accounting policies | 1 | 0.00 | 0.00 | -0.00 |

As per our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUU1898**

**Place: Jammu**
**Date: 30th May 2023**

**For & on Behalf of Board of Directors of**
**SARVESHWAR FOODS LIMITED**

| Harbans Lal | Anil Sharma | Mohit Garg |
|---|---|---|
| Director | Managing Director | CFO |
| DIN:08571117 | DIN:07417538 | PAN: BOEPG0761F |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

# Standalone Statement of Profit & Loss
## for the year ended at March 31, 2023

## SARVESHWAR FOODS LIMITED

| | Notes | (in Lakhs) For the year ended 31-Mar-2023 | (in Lakhs) For the year ended 31-Mar-2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 21 | 32,436.57 | 27,290.80 |
| Other income | 22 | 837.01 | 263.60 |
| | | **33,273.58** | **27,554.40** |
| **EXPENDITURE** | | | |
| Raw materials consumed | 23 | 27,501.76 | 12,564.60 |
| Purchases | 24 | 6,117.64 | 11,395.44 |
| Decrease in inventories of semi finish | 25 | (4,219.03) | 175.48 |
| Employee benefits expenses | 26 | 222.97 | 238.46 |
| Depreciation expenses | 2 | 59.77 | 62.39 |
| Finance cost | 27 | 1,281.17 | 889.58 |
| Operating and other expenses | 28 | 1,752.84 | 1,687.73 |
| | | **32,717.13** | **27,013.67** |
| **Profit/(Loss) before tax** | | **556.45** | **540.73** |
| (a) Current Year Tax | | 160.84 | 130.18 |
| (b) Previous Year Tax | | - | - |
| (c) Deferred Tax | | (4.04) | 0.81 |
| **Profit/(Loss) after tax** | | **399.65** | **409.73** |
| **Appropriation** | | | |
| Remeasurement loss on defined benefit plans | | | |
| **Profit / (loss) for the year** | | **399.65** | **409.73** |
| Earnings per equity share | 29 | **1.58** | **1.67** |
| Basic and diluted annualised | | **1.53** | **1.67** |
| Significant accounting policies | 1 | | |

As per our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUU1898**

**Place: Jammu**
**Date: 30th May 2023**

**For & on Behalf of Board of Directors of**
**SARVESHWAR FOODS LIMITED**

| Harbans Lal | Anil Sharma | Mohit Garg |
|---|---|---|
| Director | Managing Director | CFO |
| DIN:08571117 | DIN:07417538 | PAN: BOEPG0761F |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

# Standalone Cash Flow Statement
## for the year ended at March 31, 2023

## SARVESHWAR FOODS LIMITED

| | (in Lakhs) For the year ended 31-Mar-2023 | (in Lakhs) For the year ended 31-Mar-2022 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit Before tax** | **556.45** | **540.73** |
| **Adjustment to reconcile profit before tax to net cash flows** | | |
| Prior Period Items | (13.13) | (13.88) |
| Depreciation / amortization expenses | 59.77 | 62.39 |
| Provision for Leave Encashment | 5.23 | |
| Profit on sale of fixed assets | - | 0.02 |
| Interest income | (1.22) | (0.56) |
| Unrealized foreign exchange loss/ gain | 23.69 | 424.27 |
| Interest on loan | 1,281.17 | 889.58 |
| **Operating profit before working capital changes** | 1,911.96 | 1,902.54 |
| Increase / (Decrease) in other liabilities | 36.55 | 29.86 |
| Increase / (Decrease) in Trade Payable | (827.05) | 1,954.65 |
| Increase / (Decrease) in Other Financial Liabilites | (151.60) | 239.81 |
| (Increase)/ Decrease in trade receivable | 81.55 | 149.84 |
| Decrease/(Increase) in Inventory | (4,111.13) | 102.18 |
| Decrease/(Increase) in Other Financial Assets | (5.90) | 70.60 |
| Decrease/ (Increase) in other current assets | (455.20) | (3,306.85) |
| **Net cash flow (used in) operations** | (3,520.82) | 1,142.62 |
| Less: Direct taxes paid Including Advance taxes | (115.85) | (142.00) |
| **Net cash flow (used in) operating activities (A)** | (3,636.67) | 1,000.62 |
| | | |
| **Cash flows from investing activities** | | |
| Decrease/ (Increase) in other advances to related Parties | 194.40 | (978.61) |
| Decrease/ (Increase) in other advances | (87.60) | 316.89 |
| Purchase of fixed assets | (12.15) | (7.59) |
| Sale of Fixed Assets | 0.50 | 0.98 |
| Interest received | 1.22 | 0.56 |
| **Net cash flow (used in)/ generated from investing activities (B)** | 96.38 | (667.77) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from Share Issued | 4,315.78 | |
| Proceeds/ repayments from/ of borrowings | 527.21 | 1,051.69 |
| Increase / (Decrease) in Borrowings from Related Parties | | |
| Foreign Exchange Gain | (23.69) | (424.27) |
| Interest paid on loan | (1,281.17) | (889.58) |
| **Net cash flow from/ (used in) in financing activities (C)** | 3,538.13 | (262.16) |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | (2.16) | 70.69 |
| Cash and cash equivalents at the beginning of the year | 13.89 | 22.49 |
| **Cash and cash equivalents at the end of the year** | 11.72 | 93.18 |
| | | |
| **Components of cash and cash equivalents** | | |
| **Total cash and cash equivalents (note 16)** | 11.73 | 13.89 |

Significant accounting policies

As per our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUU1898**

**Place: Jammu**
**Date: 30th May 2023**

**For & on Behalf of Board of Directors of**
**SARVESHWAR FOODS LIMITED**

| **Harbans Lal** | **Anil Sharma** | **Mohit Garg** |
|---|---|---|
| **Director** | **Managing Director** | **CFO** |
| **DIN:08571117** | **DIN:07417538** | **PAN: BOEPG0761F** |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

# Notes to financial statements
## for the year ended March 31, 2023

### Notes to financial statements for the year ended March 31, 2023

**Note 1.**

**A REPORTING ENTITY**

Sarveshwar Foods Limited ('the Company'), was incorporated on August 03, 2004. The Company's main business is to manufacture of basmati rice & other products.

**B BASIS FOR PREPARATION**

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods
presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between
acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**C STATEMENT OF COMPLIANCE**

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time . Upto the year ended March 31, 2022, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

**D USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS**

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets and intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets and commitments and contingencies.

**E SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(i) Revenue from contract with customers**

Company has adopted Ind AS 115 "Revenue from Contract With Customers" starting April 01, 2018. Revenue from contract with customers is
recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

### a) Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually in case of domestic, such transfer occurs when the product is sold on ex-works; however, for exports transfer occurs upon loading the goods onto the relevant carrier at the port of seller. Generally for such products buyer has no right to return.

### (ii) Foreign currency transactions and translation

The financial statements of the Company is presented in INR, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period.

### (iii) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular
servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is de- recognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction are added to the cost of eligible tangible assets.
Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is
recognised in the statement of profit and loss.

### (iv) Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on written down value basis over the useful life as prescribed in Schedule II of the Companies Act, 2013 unless otherwise specified. Depreciable amount for the assets is the cost of an asset less its estimated residual value. Depreciation on addition to/deductions from fixed assets is provided on pro rata basis from/to the date of acquisition/disposal. Depreciation on assets under construction commences only when the assets are ready for their intended use.

### (v) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### A) FINANCIAL ASSETS

#### FINANCIAL ASSETS AT AMORTISED COST

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FINANCIAL ASSETS MEASURED AT FAIR VALUE

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

#### IMPAIRMENT OF FINANCIAL ASSETS

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

#### DERECOGNITION OF FINANCIAL ASSETS

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

#### B) FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS CLASSIFICATION AS DEBT OR EQUITY

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### FINANCIAL LIABILITIES

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

### DERECOGNITION OF FINANCIAL LIABILITIES

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

## C) DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses certain derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks.Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to their fair value. The fair values for forward currency contracts are marked to market at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## (vi) Employee benefits

### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes, where the Company’s obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

### Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier.
The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation, as reduced by the fair value plan assets.

(vii) **Inventories**

Inventories are valued at lower of cost and net realizable value (except scrap/waste which are valued at net realized value). "Cost" comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. The cost formula used is either "first in first out", or" specific identification", or the 'average cost", as applicable.

**(viii) Provisions**

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**(ix) Income taxes**

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws enacted in the country. Applicable Tax rates for calculating current year income tax provision & deferred tax include Health & Education Cess which has been held to be deductible expense as per various judicial pronouncements. Accordingly, provision for income tax of current year has been worked out after considering the deductible health & education cess paid during the year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited

either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity

**(x) Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks, remittances in transit and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

Company has adopted Ind AS 116 "Leases" Starting April 01, 2019, with initial date of application being April 01, 2019.

**Accounting policy upto March 31, 2019:**

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting policy w.e.f. April 01,2019

The Company applied Ind AS 116 using the modified retrospective approach with a date of initial application of April 01, 2019 and accordingly the comparative figures have not been restated. Moreover, there was no impact of initial application on the balance of retained earnings as of April 01, 2019.

The revised accounting policy of the Company on adoption of Ind AS 116 is detailed below.

**The Company as a lessee**

At inception of a contract the Company assess whether a contract is, or contain a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method.

**The Company as a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.
Rental income from assets held under operating leases is recognized on straight line basis.

SARVESHWAR FOODS LIMITED

Statement of Notes to Accounts for the period ended March 31, 2023

2 Property, Plant and Equipment and Intangible assets (in ₹ Lacs)

| | Land | Building | Plant & Machinery | Office Equipments | Furniture & Fixture | Electrical Installation | Vehicles | Computer | Softwares | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross block | | | | | | | | | | |
| At April 1, 2021 | 14.07 | 213.99 | 305.42 | 30.21 | 15.96 | - | 96.59 | 22.30 | 12.11 | 710.65 |
| Additions | | | 4.62 | 1.67 | | | | 1.30 | | 7.59 |
| Disposals | | | | | | | 0.98 | | | 0.98 |
| At March 31, 2022 | 14.07 | 213.99 | 310.04 | 31.88 | 15.96 | - | 95.61 | 23.60 | 12.11 | 717.26 |
| Additions | | | 6.19 | 2.65 | 1.07 | | | 2.24 | | 12.15 |
| Disposals | | | | | | | 0.50 | | | 0.50 |
| At March 31, 2023 | 14.07 | 213.99 | 316.23 | 34.53 | 17.03 | - | 95.11 | 25.84 | 12.11 | 728.91 |
| | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| At April 1, 2021 | - | 70.03 | 134.32 | 20.77 | 9.70 | - | 63.53 | 20.12 | 6.73 | 325.21 |
| Charge for the year | | 13.68 | 32.40 | 2.60 | 1.62 | | 8.50 | 1.79 | 1.79 | 62.38 |
| Disposals | | | | | | | | | | - |
| At March 31, 2022 | - | 83.71 | 166.72 | 23.37 | 11.32 | - | 72.03 | 21.91 | 8.52 | 387.59 |
| Charge for the year | | 13.73 | 30.19 | 6.53 | 0.68 | - | 6.93 | 0.10 | 1.61 | 59.77 |
| Disposals | | | | | | | | | | - |
| At March 31, 2023 | - | 97.44 | 196.91 | 29.90 | 12.00 | - | 78.96 | 22.01 | 10.13 | 447.36 |
| | | | | | | | | | | |
| Net block | | | | | | | | | | |
| At April 1, 2021 | 14.07 | 143.96 | 171.10 | 9.44 | 6.26 | - | 33.06 | 2.18 | 5.38 | 385.44 |
| At March 31, 2022 | 14.07 | 130.28 | 143.31 | 8.51 | 4.64 | - | 23.58 | 1.69 | 3.59 | 329.67 |
| At March 31, 2023 | 14.07 | 116.55 | 119.31 | 4.63 | 5.03 | - | 16.15 | 3.83 | 1.98 | 281.55 |

| | (in Lakhs) As at 31-Mar-2023 | (in Lakhs) As at 31-Mar-2022 | (in Lakhs) As at 1-Apr-2021 |
|---|---|---|---|
| **NOTE 3** | | | |
| **Financial Assets** | | | |
| **Investments** | | | |
| Investment in Shares of HBOFPL | **1,505.00** | 1,505.00 | 1,505.00 |
| Investment in Shares of Sarveshwar Overseas Ltd., | **1,485.00** | 1,485.00 | 1,485.00 |
| Investment in Shares of Natural Global Foods DMCC | **26.23** | 26.23 | 26.23 |
| **Loans** | | | |
| Unsecured Loans & Advances (RP) | **921.51** | 842.74 | 1,173.04 |
| **Other** | | | |
| Margin Money Redeemable after 12 Months | **7.36** | - | - |
| **Total** | **3,945.10** | 3,858.96 | 4,189.26 |
| **NOTE 4** | | | |
| **Deferred Tax Liabilities** | | | |
| WDV As per Income Tax | **365.62** | 397.99 | 458.02 |
| WDV As per Companies Act | **281.54** | 329.67 | 385.44 |
| Difference | **84.08** | 68.32 | 72.58 |
| IND AS Adjustments | **1.34** | 1.04 | |
| Timing Difference on Account of Fixed Assets | **85.43** | 69.37 | 72.58 |
| Deferred Tax Asset | **21.50** | 17.46 | 18.27 |
| Deferred Tax liability | **-** | - | - |
| **Current year Provision** | **(4.04)** | 0.81 | 8.22 |
| **Total** | **(21.50)** | (17.46) | (18.27) |
| **NOTE 5** | | | |
| **INVENTORIES** | | | |
| (Stock of Traded Goods have been Valued at lower of Cost and NRV) | | | |
| Finished Goods Trading | **5,645.07** | 9,499.21 | 1,471.20 |
| Finished Goods Manufacturing | **8,966.29** | 893.12 | 9,096.61 |
| Raw Material | **183.25** | 291.16 | 217.86 |
| **Total** | **14,794.61** | 10,683.48 | 10,785.66 |
| **NOTE 6** | | | |
| **TRADE RECEIVABLES** | | | |
| Doubtful | **-** | - | - |
| Secured Considered Good | **-** | - | - |
| Unsecured Considered Good | **9,795.05** | 9,876.60 | 10,026.44 |
| **Total** | **9,795.05** | 9,876.60 | 10,026.44 |
| **Trade Receivable Ageing Schedule** | | | |
| **Particulars** | | | |
| **Undisputed trade receivable - considered good** | | | |
| Less than six months | **8,142.62** | 8,123.05 | 9,110.31 |
| 6 months - 1 year | **365.82** | 1,504.61 | 720.30 |
| 1-2 years | **171.22** | 232.01 | 121.41 |
| 2-3 years | **375.22** | 3.92 | 7.73 |
| More than 3 years | **740.18** | 13.01 | 66.68 |
| **Total** | **9,795.05** | 9,876.61 | 10,026.44 |
| | **0.00** | (0.00) | - |
| **Undisputed trade receivable - considered doubtful** | | | |
| Less than six months | **-** | - | - |
| 6 months - 1 year | **-** | - | - |
| 1-2 years | **-** | - | - |
| 2-3 years | **-** | - | - |
| More than 3 years | **-** | - | - |
| **Total** | **-** | - | - |
| | **-** | - | - |
| **NOTE 7** | | | |
| **CASH AND BANK ADVANCES** | | | |
| Cash on Hand | **11.10** | 13.76 | 16.72 |
| Balance with Banks | **-** | 0.13 | 5.77 |
| Margin Money Redeemable in 3 months | **0.64** | - | - |
| **Total** | **11.73** | 13.89 | 22.49 |

| | | | |
|---|---|---|---|
| **NOTE 8** | | | |
| **Short-term loans and advances** | | | |
| Advance paid to Related Party | **852.04** | 1,046.44 | 67.83 |
| Security Deposits | **63.83** | 55.00 | 41.59 |
| **Total** | **915.86** | 1,101.44 | 109.42 |
| **NOTE 9** | | | |
| **Other Financial Assets** | | | |
| Margin Money Redeemable in 3-12 Months | **0.42** | 2.05 | 7.05 |
| Interest & subsidies receivable | **28.19** | 28.18 | 89.72 |
| Other Financial Asset | **2.07** | 1.90 | 5.96 |
| **Total** | **30.68** | 32.13 | 102.73 |
| **NOTE 10** | | | |
| **Other Current assets** | | | |
| Loans & Advances | **6.26** | 3.58 | 2.53 |
| GST Receivable | **266.24** | 155.70 | 125.16 |
| Prepaid Expenses | **4.72** | 7.64 | 11.66 |
| Advance paid to Vendors | **3,248.39** | 2,809.61 | - |
| Deferred Income | **375.80** | 469.68 | |
| **Total** | **3,901.41** | 3,446.20 | 139.35 |
| **NOTE 11** | | | |
| **SHARE CAPITAL AUTHORISED** | | | |
| 30,000,000 Equity shares of Rs 10 each with voting rights | **3,000.00** | 3,000.00 | 3,000.00 |
| (Previous Year 30,000,000 Equity shares of Rs 10 each with voting rights) | | | |
| (Preceeding Previous Year 30,000,000 Equity shares of Rs 10 each with voting rights) | | | |
| **ISSUED SUBSCRIBED AND FULLY PAID UP** | | | |
| 28,967,200 Equity shares of Rs 10 each with voting rights | **2,896.72** | 2,456.72 | 2,456.72 |
| (Previous Year 24,567,200 Equity Shares of Rs 10 each with voting rights) | | | |
| (Preceeding Previous Year 24,567,200 Equity Shares of Rs 10 each with voting rights) | | | |
| **Total** | **2,896.72** | 2,456.72 | 2,456.72 |
| **A) Reconciliation of number of equity shares outstanding** | | | |
| As at the beginning of the year | **24,567,200** | 24,567,200 | 24,567,200 |
| Add: Shares Issued during the year | **4,400,000** | - | - |
| Less: Bought back during the year | **-** | - | - |
| As at the end of the year | **28,967,200** | 24,567,200 | 24,567,200 |
| **Share holders having 5% or more Shares** | | | |
| **Name Of Shareholders** | | | |
| **Rohit Gupta** | | | |
| No. of shares | **18,088,800** | 18,088,800 | 18,088,800 |
| % of holding | **62.45** | 73.63 | 73.63 |
| **Other Promoters Group** | | | |
| No. of shares | **10,400** | 10,600 | 10,800 |
| % of holding | **0.04** | 0.04 | 0.04 |
| **Other Public Holding** | | | |
| No. of shares | **10,868,000** | 6,467,800 | 6,467,600 |
| % of holding | **37.52** | 26.33 | 26.33 |
| | **28,967,200.00** | 24,567,200.00 | 24,567,200.00 |
| **Secured Loan** | | | |
| Term Loan from Banks | **2,402.55** | 2,807.48 | 1,885.60 |
| Less: Payable with 12 months | **(447.23)** | (409.79) | (11.89) |
| Unsecured Loans from Directors | **163.00** | 17.89 | - |
| **Total** | **2,118.32** | 2,415.59 | 1,873.70 |
| **NOTE 14** | | | |
| **Long term Provisions** | | | |
| Provision for Leave Encashment | **5.09** | - | - |
| **Total** | **5.09** | - | - |

**NOTE 15**
**Short Term Borrowings**

| | | | |
|---|---|---|---|
| Cash Credit | **10,895.63** | 10,108.59 | 9,996.67 |
| Loan From Banks Repayable in one year | **447.23** | 409.79 | 11.89 |
| **Total** | **11,342.85** | 10,518.38 | 10,008.57 |

**NOTE 16**
**Trade payables**

| | | | |
|---|---|---|---|
| Due to MSME | **34.66** | - | - |
| Sundry Creditors for Trade | **2,645.16** | 3,506.87 | 1,552.22 |
| **Total** | **2,679.82** | 3,506.87 | 1,552.22 |

**There are No vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006.**

| | | | |
|---|---|---|---|
| Principal amount and Interest due thereon remaining | **-** | - | - |
| the amount of interest paid by the buyer in terms of section | **-** | - | - |
| The amount of interest due and payable for the year of | **-** | - | - |
| The amount of interest accrued and remaining unpaid | **-** | - | - |
| The amount of further interest remaining due and payable | **-** | - | - |

**Trade Payables Ageing Schedule***

| **Particulars** | | | |
|---|---|---|---|
| **Due to MSME** | | | |
| Less than one year | **34.66** | - | - |
| 1-2 years | **-** | - | - |
| 2-3 years | **-** | - | - |
| More than 3 years | **-** | - | - |
| **Total** | **34.66** | - | - |
| | **0.00** | - | - |
| **Other** | | | |
| Less than one year | **2,503.88** | 3,420.54 | 1,536.96 |
| 1-2 years | **56.74** | 77.37 | - |
| 2-3 years | **77.37** | 7.17 | 11.52 |
| More than 3 years | **7.17** | 1.79 | 3.75 |
| **Total** | **2,645.16** | **3,506.87** | **1,552.22** |
| * There are no disputed dues for trade payable | | | |
| | **0.00** | (0.00) | 0.00 |

**NOTE 17**
**Financial Liabilities**

| | | | |
|---|---|---|---|
| Expenses payable | **36.21** | 19.25 | 24.54 |
| Bank OD (Unsecured) | **244.80** | 244.98 | - |
| Advance received from related Parties | **49.52** | 220.09 | 249.06 |
| Advance received from debtors | **31.28** | 29.09 | - |
| **Total** | **361.81** | 513.40 | 273.60 |

**NOTE 18**
**Short term Provisions**

| | | | |
|---|---|---|---|
| Provision for Leave Encashment | **0.15** | - | - |
| **Total** | **0.15** | - | - |

**NOTE 19**
**Other current liabilities**

| | | | |
|---|---|---|---|
| Statutory Liabilities: | **16.94** | 15.27 | 7.01 |
| Other current liabilities | **97.02** | 62.14 | 40.53 |
| **Total** | **113.96** | 77.40 | 47.54 |

**NOTE 20**
**Current Tax Liability (Net)**

| | | | |
|---|---|---|---|
| Provision for Taxation | **127.92** | 82.93 | 94.75 |
| (Net of advance tax) | | | |
| **Total** | **127.92** | 82.93 | 94.75 |

| | (in Lakhs) For the year ende 31-Mar-2023 | (in Lakhs) For the year ended 31-Mar-2022 |
|---|---|---|
| **NOTE 21** | | |
| **Revenue from operations** | | |
| Sale of products | **32,436.57** | 27,290.80 |
| **Total** | **32,436.57** | 27,290.80 |
| **NOTE 22** | | |
| **Other Income** | | |
| Foreign Exchange Fluctuations | **317.95** | 72.21 |
| Discount Received | **4.02** | 100.00 |
| Duty Drawback/GST Refund | **5.86** | 1.83 |
| Interest on FDR & Loan | **1.22** | 0.56 |
| Job Work | **140.80** | 34.81 |
| Shortage /Excess | **6.00** | 5.07 |
| Miscellaneous income | **31.73** | 0.25 |
| Insurance Claim | **0.23** | 1.27 |
| Profit on sale of Rodtep Scrip | **228.13** | - |
| Profit on Sale of Asset | **-** | (0.02) |
| Other Income (Organic Project) | **22.59** | 29.56 |
| Interest on Fair Valuation | **78.47** | 18.05 |
| **Total** | **837.01** | 263.60 |
| **NOTE 23** | | |
| **MATERIAL CONSUMED** | | |
| **Raw Materials' Consumption** | | |
| Opening Stock | **291.16** | 217.86 |
| Add: Purchases | **27,138.18** | 12,408.94 |
| Add: Freight Inward | **53.74** | 14.12 |
| Add: Packing Material Purchase | **201.94** | 214.83 |
| Less : Closing Stock | **(183.25)** | (291.16) |
| | **-** | - |
| **COGS** | **27,501.76** | 12,564.60 |
| **NOTE 24** | | |
| **PURCHASE OF TRADED GOODS** | | |
| Purchase of traded goods | **6,117.64** | 11,395.44 |
| **Total** | **6,117.64** | 11,395.44 |
| **NOTE 25** | | |
| **INCREASE /(DECREASE ) & FINISHED GOODS** | | |
| Opening Stock of Finished Goods | **10,392.33** | 10,567.81 |
| Closing Stock of Finished Goods | **14,611.36** | 10,392.33 |
| Increase/(Decrease) in Finished Goods | **(4,219.03)** | 175.48 |
| **Total** | **(4,219.03)** | 175.48 |
| **NOTE 26** | | |
| **EMPLOYEE BENEFIT EXPENSE** | | |
| Salaries | **175.89** | 203.13 |
| Directors Remuneration | **39.75** | 32.55 |
| Staff Welfare | **7.33** | 2.78 |
| **Total** | **222.97** | 238.46 |

**NOTE 27**
**Financial costs**

| | | |
|---|---|---|
| Bank Interest | 1,093.24 | 830.18 |
| Bank Charges | 79.86 | 36.47 |
| Interest on late payments of statutory dues | 12.16 | 0.73 |
| Interest on unsecured Loan | 2.03 | - |
| Interest on Fair Valuation | 93.89 | 22.20 |
| **Total** | 1,281.17 | 889.58 |

**NOTE 28**
**Other expenses**

| | | |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumables | 2.80 | 0.57 |
| Electricity Charges | 41.07 | 23.58 |
| Fumigation expense | 1.06 | 0.48 |
| Interest on paddy | - | - |
| Inspection Charges | - | - |
| Job Work | - | 0.25 |
| Pest control service charges | 79.23 | 109.45 |
| Rate Difference Paddy | - | - |
| Repair & Maintenance | 15.36 | 9.45 |
| Toll Tax | 0.08 | 0.01 |
| Wages & Labour Charges | 246.07 | 136.79 |
| | - | - |
| **Other Expenses** | - | - |
| Other Expenses | - | - |
| Clearing & Handling Charges | - | - |
| Exchange Rate Difference | - | - |
| Agricultural Development Expenses | - | - |
| **Donation** | | |
| **Business Development Expenses** | - | - |
| Business Promotion | 3.59 | 6.52 |
| | - | - |
| **Selling, Distribution & Administration Expenses** | - | - |
| Advertisement Expenses | 2.68 | 1.44 |
| Audit fee | 8.00 | 4.80 |
| Audit Expenses | - | - |
| Bad Debts & Provisions | - | 0.42 |
| Brokerage & Commission | 41.74 | 32.58 |
| Business Promotion & Marketing | 11.18 | 17.44 |
| Clearing & Handling Charges | 391.54 | 413.54 |
| Communication Charges | 7.81 | 8.24 |
| Consultancy Expense | - | 0.03 |
| Conveyance & Travelling | 57.61 | 35.09 |
| CSR Expenses | 36.96 | |
| Foreign Exchange Loss | | 496.48 |
| Freight & transportation on Sales | 341.64 | 54.79 |
| Insurance | 76.81 | 88.71 |
| Inspection Fees | 140.26 | 116.12 |
| Misc. Expenses | 39.63 | - |
| Printing & Stationery | 2.08 | - |
| Professional Fees | 76.94 | 112.75 |
| Rent, Rates & Taxes | 109.58 | 18.17 |
| Repair & Maintenance | 19.12 | - |
| **Total** | 1,752.84 | 1,687.73 |

| | | |
|---|---|---|
| **Note No. 28(i): Payment to Auditors** | | |
| Audit Fee | - | - |
| **Total** | - | - |

**NOTE 29**
**Earning Per Share**

| | | |
|---|---|---|
| a) Profit for the year (in Rs ) | 39,964,703.03 | 40,973,478.06 |
| No of Shares at beginning of the year | 24,567,200.00 | 24,567,200.00 |
| No of Shares at end of the year | 28,967,200.00 | 24,567,200.00 |
| b) Weighted average no. of equity shares outstanding | 7,142,597.26 | 24,499,892.60 |
| c) Earning per share | | |
| Basic (in Rs) | 5.60 | 1.67 |
| Diluted (in Rs) | 5.60 | 1.67 |

**12 Other Equity**

(₹ in Lakhs)

| Particulars | Reserve and Surplus Retained Earnings | Security Premium Account | Warrant Reserve | General Reserve | Grand Total |
|---|---|---|---|---|---|
| **Opening balance as at 01.04.2021** | **5,001.08** | **4,347.62** | **-** | **123.27** | **9,471.97** |
| Add: Profit for the year | 330.45 | - | - | - | 330.45 |
| Add: Transfer from Retained Earnings | - | - | - | 16.72 | 16.72 |
| Less: Prior period items | (13.88) | - | - | - | (13.88 |
| Less: Transfer to General Reserve | (16.72) | - | - | - | (16.72 |
| **Closing balance as at 31.03.2022** | **5,300.94** | **4,347.62** | **-** | **139.99** | **9,788.54** |
| Add: Profit for the year | 399.65 | - | - | - | 399.65 |
| Add/Less: Transfer to General Reserve | (20.75) | - | - | - | (20.75 |
| Less: Prior period items | (13.13) | - | - | - | (13.13 |
| Add: Received during the year | - | 3,132.80 | 742.98 | - | 3,875.78 |
| Add: Transfer from Retained Earnings | - | - | - | 20.75 | 20.75 |
| **Restated Closing balance as at 31.03.2023** | **5,666.71** | **7,480.42** | **742.98** | **160.73** | **14,050.84** |

# STATEMENT OF CHANGES IN EQUITY (SOCE)

**A Equity share capital** (₹ in Lakhs)

| Particular | Amount |
|---|---|
| **Balance as at April 01, 2021** | **2,456.72** |
| Bonus shares issued during the year | - |
| Shares issued during the year (IPO) | - |
| | |
| **Balance as at March 31, 2022** | **2,456.72** |
| Bonus shares issued during the year | - |
| Shares issued during the year | 440.00 |
| **Balance as at March 31, 2023** | **2,896.72** |

**B Other Equity** (₹ in Lakhs)

| Particulars | Reserve and Surplus Retained Earnings | Security Premium Account | Warrant Reserve | General Reserve | Grand Total |
|---|---|---|---|---|---|
| **Opening balance as at 01.04.2021** | **5,063.53** | **4,347.62** | - | **123.27** | **9,534.42** |
| Add: Profit for the year | 409.73 | - | - | - | 409.73 |
| Add: Transfer from Retained Earnings | - | - | - | 16.72 | 16.72 |
| Less: Prior period items | (13.88) | - | - | - | (13.88) |
| Less: Transfer to General Reserve | (16.72) | - | - | - | (16.72) |
| **Closing balance as at 31.03.2022** | **5,442.67** | **4,347.62** | - | **139.99** | **9,930.28** |
| Add: Profit for the year | 399.65 | - | - | - | 399.65 |
| Less: Transfer to General Reserve | (20.75) | | - | - | (20.75) |
| Less: Prior period items | (13.13) | - | - | - | (13.13) |
| Add: Received during the year | - | **3,132.80** | 742.98 | - | 3,875.78 |
| Add: Transfer from Retained Earnings | - | - | - | 20.75 | 20.75 |
| **Restated Closing balance as at 31.03.2023** | **5,808.44** | **7,480.42** | **742.98** | **160.73** | **14,192.57** |

The accompanying notes are integral part of the Financial Statements

In terms of our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUU1898**

**Place: Jammu**
**Date: 30th May 2023**

**For & on Behalf of Board of Directors of**
**SARVESHWAR FOODS LIMITED**

| Harbans Lal | Anil Sharma | Mohit Garg |
|---|---|---|
| Director | Managing Director | CFO |
| DIN:08571117 | DIN:07417538 | PAN: BOEPG0761F |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

## Note 30: Employee Benefit Plan

**(A) Defined benefit Plan**

**The defined benefit plan operated by the Company is as below:**
**Retiring gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity plan of the Company is funded. The information in the note is for disclosure purpose.

**The defined benefit plans expose the Company to a number of actuarial risks as below:**

**(a) Interest risk:** A decrease in the bond interest rate will increase the plan liability.

**(b) Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(c) Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

**The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:**

**(i) Change in Defined Benefit Obligation (DBO) during the year** **(₹ in Lakhs)**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the beginning of the year | 5.02 | - |
| Past Service Cost | - | 4.10 |
| Current service cost | 1.29 | 0.91 |
| Interest cost | 0.36 | - |
| Actuarial loss arising from changes in financial assumptions | (0.07) | - |
| Actuarial loss arising from changes in experience adjustments | (1.37) | - |
| Benefits paid | - | - |
| **Present value of DBO at the end of the year** | **5.23** | **5.02** |

**(ii) Change in fair value of plant assets during the year**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | - | - |
| Interest income | - | - |
| Employer contributions | - | - |
| Benefits paid | - | - |
| Fair value of plan assets at the end of the year | - | - |

**(iii) Amounts recognised in the Balance Sheet**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the end of the year | 5.23 | 5.02 |
| Fair value of plan assets at the end of the year | - | - |
| **Net Liability recognised in the Balance Sheet** | **5.23** | **5.02** |

**(iv) Components of employer expense**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Current service cost | 1.29 | 0.91 |
| Past Service Cost | - | 4.10 |
| Interest cost | 0.36 | - |
| **Expense recognised in Statement of Profit t and Loss** | **1.66** | **5.02** |

**(v) Other comprehensive (income) / loss**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| | | |
| Actuarial loss arising from changes in financial assumptions | (0.07) | - |
| Actuarial loss arising from changes in demographic assumptions | - | - |
| Actuarial loss arising from changes in experience adjustments | (1.37) | - |
| **Remeasurements recognised in other comprehensive income** | **(1.44)** | **-** |

**(vi) Amount recognized in other comprehensive income at period end**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Amount recognized in OCI at beginning of the period | - | - |
| Add: Remeasurements recognised in other comprehensive income | (1.44) | - |
| | **(1.44)** | **-** |

**(vii) Nature and extent of investment details of the plan assets**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| State and Central Securities | - | - |
| Bonds | - | - |
| Special deposits | - | - |
| Insurer managed funds | - | - |

**(viii) Assumptions**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Discount Rate | 7.36% | 7.26% |
| Rate of increase in Compensation levels | 7.00% | 7.00% |
| Rate of Return on Plan Assets | NA | NA |

**(ix) Sensitivity Analysis**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Base Liability | 5.23 | NA |
| Increase Discount Rate by 0.5% | (0.34) | NA |
| Decrease Discount Rate by 0.5% | 0.37 | NA |
| Increase Salary Inflation by 0.5% | 0.37 | NA |
| Decrease Salary Inflation by 0.5% | (0.34) | NA |

**The following table sets out the amounts recognised in the financial statements in respect of Leave Encashment:**

**(i) Change in Defined Benefit Obligation (DBO) during the year** **(₹ in Lakhs)**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the beginning of the year | 17.07 | - |
| Past Service Cost | - | 14.59 |
| Current service cost | 3.22 | 2.48 |
| Interest cost | 1.24 | - |
| Actuarial loss arising from changes in financial assumptions | (1.66) | - |
| Actuarial loss arising from changes in experience adjustments | - | - |
| Benefits paid | - | - |
| **Present value of DBO at the end of the year** | **19.87** | **17.07** |

**(ii) Change in fair value of plant assets during the year**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | - | - |
| Interest income | - | - |
| Employer contributions | - | - |
| Benefits paid | - | - |
| Fair value of plan assets at the end of the year | - | - |

**(iii) Amounts recognised in the Balance Sheet**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the end of the year | 19.87 | 17.07 |
| Fair value of plan assets at the end of the year | - | - |
| **Net Liability recognised in the Balance Sheet** | **19.87** | **17.07** |

**(iv) Components of employer expense**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Current service cost | 3.22 | 2.48 |
| Past Service Cost | - | 14.59 |
| Interest cost | 1.24 | - |
| **Expense recognised in Statement of Profit t and Loss** | **4.46** | **17.07** |

**(v) Other comprehensive (income) / loss**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| | | |
| Actuarial loss arising from changes in financial assumptions | (1.66) | - |
| Actuarial loss arising from changes in demographic assumptions | - | - |
| Actuarial loss arising from changes in experience adjustments | - | - |
| **Remeasurements recognised in other comprehensive income** | **(1.66)** | **-** |

**(vi) Amount recognized in other comprehensive income at period end**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Amount recognized in OCI at beginning of the period | - | - |
| Add: Remeasurements recognised in other comprehensive income | (1.66) | - |
| | **(1.66)** | **-** |

**(vii) Nature and extent of investment details of the plan assets**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| State and Central Securities | - | - |
| Bonds | - | - |
| Special deposits | - | - |
| Insurer managed funds | - | - |

**(viii) Assumptions**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Discount Rate | 7.36% | 7.26% |
| Rate of increase in Compensation levels | 7.00% | 7.00% |
| Rate of Return on Plan Assets | NA | NA |

**(ix) Sensitivity Analysis**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Base Liability | 19.87 | NA |
| Increase Discount Rate by 0.5% | (1.28) | NA |
| Decrease Discount Rate by 0.5% | 1.40 | NA |
| Increase Salary Inflation by 0.5% | 1.40 | NA |
| Decrease Salary Inflation by 0.5% | (1.29) | NA |

**(B) Defined Contribution Plan**

**Provident fund and pension**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the employee provident fund organization (EPFO).

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounted to Rs. 3.88 Lakhs (PY: Rs. 3.76 Lakhs)

## Note - 31: Segment Reporting

Based on guiding principles given in IND AS-108 "Operating Segments", the business segment has been considered as the primary segment and the geographic segment has been considered as the secondary segment. As the processing and trading of rice is the only business segment, the disclosure requirement for primary business segment is not applicable.
The Company has two geographic segments; domestic and export. Revenue from the geographic segment, based on location of customers is as follows:

| | Year Ended | |
|---|---|---|
| | 31.03.2023 (Audited) | 31.03.2022 (Audited) |
| Domestic | 19,263.86 | 13,364.74 |
| Export | 13,172.72 | 13,926.06 |

The Company does not hold any fixed assets outside India. Hence, no disclosure has been made for segment assets.

## Note - 32: Contingent Liabilities and commitment

The Company has contingent Liablities in the following cases:-

| Financial Year | Section | Demand Amount with Interest | Date |
|---|---|---|---|
| 2017-2018 | 1431a | 17,500.00 | 11/13/2019 |
| 2018-2019 | 1431a | 95,290.00 | 4/30/2020 |
| 2015-2016 | 271(1)(b) | 200.00 | 11/10/2018 |
| 2016-2017 | 154 | 203,670.00 | 9/7/2021 |
| 2016-2017 | 270A | 80,936.00 | 3/22/2022 |
| 2018-2019 | 143(1)(a) | Not Ascertainable | 2/14/2020 |
| 2021-2022 | 143(1)(a) | Not Ascertainable | 12/14/2022 |
| 2019-2020 | | Not Ascertainable | 3/12/2020 |
| 2016-2017 | | Not Ascertainable | 2/11/2021 |
| 2017-2018 | 143(1)(a) | Not Ascertainable | 3/18/2019 |
| 2016-2017 | | Not Ascertainable | 11/16/2022 |
| 2022-2023 | | Not Ascertainable | 11/3/2022 |
| 2022-2023 | | Not Ascertainable | 9/15/2022 |
| 2022-2023 | | Not Ascertainable | 6/13/2022 |

## Note - 32: Contingent Liabilities and commitment

The Company has contingent Liablities in the following cases:-

| Financial Year | Section | Demand Amount with Interest | Date |
|---|---|---|---|
| 2017-2018 | 1431a | 17,500.00 | 11/13/2019 |
| 2018-2019 | 1431a | 95,290.00 | 4/30/2020 |
| 2015-2016 | 271(1)(b) | 200.00 | 11/10/2018 |
| 2016-2017 | 154 | 203,670.00 | 9/7/2021 |
| 2016-2017 | 270A | 80,936.00 | 3/22/2022 |
| 2018-2019 | 143(1)(a) | Not Ascertainable | 2/14/2020 |
| 2021-2022 | 143(1)(a) | Not Ascertainable | 12/14/2022 |
| 2019-2020 | | Not Ascertainable | 3/12/2020 |
| 2016-2017 | | Not Ascertainable | 2/11/2021 |
| 2017-2018 | 143(1)(a) | Not Ascertainable | 3/18/2019 |
| 2016-2017 | | Not Ascertainable | 11/16/2022 |
| 2022-2023 | | Not Ascertainable | 11/3/2022 |
| 2022-2023 | | Not Ascertainable | 9/15/2022 |
| 2022-2023 | | Not Ascertainable | 6/13/2022 |

## Note - 33: Statement of Related Party Disclosure

**(a) List of related parties and related party relationship**

| **Related party relationship** | **Name of the related party** |
|---|---|
| **Subsidiary Companies** | Sarveshwar Overseas Limited<br>Himalayan Bio Organic Foods Private Limited |
| **Associate Company** | Natural Global Food DMCC |
| **Key Management Personal (KMP)** | Anil Kumar Sharma<br>(Managing Director)<br>Seema Rani<br>(Whole Time Director) |
| **Relatives of Directors** | Suraj Prakash Gupta |
| | Radha Rani |
| | Pooja Gupta |
| **Directors** | Rohit Gupta |
| | Tej Partap |
| | Adarsh Kumar Gupta |
| | Harbans Lal |
| | Mahadeep Singh Jamwal |
| | Seema Rani |
| | Pradeep kumar Sharma |
| | Uttam Kumar Padha |
| **Entities in which KMP / Relatives of KMP can exercise significant influence** | Sarveshwar Logistics |
| | Radhika Overseas |
| | Sarveshwar International |
| | Himalayan Ancient Foods Pvt Ltd |
| | Radhika Pest Control |
| | Shree Jee Trading |

**(b) Related party transactions and balances**

| Name of related party | Nature of transaction | Relatives | Transaction during the year Dr./(Cr.) | | |
|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2021 |
| Rohit Gupta | Rent | Director | 12.00 | 36.00 | 36.00 |
| Rohit Gupta | Unsecured Loan Repaid | Director | 210.00 | - | - |
| Rohit Gupta | Unsecured Loan Taken | Director | 373.00 | - | - |
| Radha Rani Gupta | Unsecured Loan Taken | Relative of KMP | 5.00 | - | - |
| Anil Sharma | salary | Director | 10.47 | 9.81 | 9.85 |
| Surendar Jasrotia | salary | Director | 10.52 | 10.52 | 17.65 |
| Sunil Bakshi | salary | Relative of Director | - | - | 2.35 |
| Adarsh Gupta | salary | Director | - | 0.45 | 0.50 |
| Uttar Kumar Padha | salary | Director | - | 0.11 | 0.33 |
| Gayatri Tandon | salary | Relative of Director | - | - | 7.31 |
| Ritesh Maini | salary | Relative of Director | - | 1.13 | - |
| Harbans lal Sharma | salary | Director | 5.93 | 8.60 | - |
| Mahadeep Singh Jamwal | salary | Director | 6.08 | 5.58 | - |
| Seema Rani | salary | Director | 6.75 | 7.44 | 5.78 |
| Sarveshwar Logistics | Freight | Other Related Entities | 24.00 | 24.00 | 29.75 |
| Himalayan Bio Organic Foods P Ltd | Sales | Subsidiary Companies | 46.00 | 283.03 | 403.99 |
| Himalayan Bio Organic Foods P Ltd | Purchases | Subsidiary Companies | 8.79 | 7.21 | 8.34 |
| Sarveshwar International | Sales | Other Related Entities | - | 114.14 | - |
| Sarveshwar Overseas Ltd | Purchases | Subsidiary Companies | 2,648.41 | 154.63 | 1,600.00 |
| Sarveshwar Overseas Ltd | Sales | Subsidiary Companies | - | 426.03 | - |
| Sarveshwar Overseas Ltd | Unsecured Loan Given | Subsidiary Companies | - | 2,292.36 | 1,249.83 |
| Sarveshwar Overseas Ltd | Unsecured Loan Repayment | Subsidiary Companies | - | 2,149.45 | 1,400.94 |
| Sarveshwar Overseas Ltd | Interest on Loan Received | Subsidiary Companies | - | - | 98.04 |
| Radhika Overseas (Delhi) | Sales | Other Related Entities | 17.53 | - | - |
| Radhika Overseas | Sales | Other Related Entities | 16.51 | 43.04 | 0.51 |
| Radhika Overseas | Purchases | Other Related Entities | 418.68 | 200.45 | 5.70 |

**Balance Outstanding at the end of the**

in Lakhs

| Name of related party | Nature of transaction | Relations | Closing Balance Dr./(Cr.) | | |
|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2021 |
| Rohit Gupta | Rent | KMP | 10.47 | (44.97) | (21.92) |
| Rohit Gupta | Unsecured Loan | KMP | 163.00 | - | - |
| Radha Rani Gupta | Unsecured Loan | Relative of KMP | (5.00) | - | (50.00) |
| Radhika Overseas | Sale/purchase | Other Related Entities | 3.48 | (197.35) | - |
| Natural Global Food DMCC | Investment | Subsidiary Companies | 43.22 | 42.92 | 42.29 |
| Anil Sharma | salary | Director | (0.80) | 10.08 | (0.28) |
| Radhika Overseas (Delhi) | Sales | Other Related Entities | - | 264.83 | - |
| Sarveshwar Overseas Ltd | Purchases | Subsidiary Companies | 1,410.11 | - | - |
| Sarveshwar Overseas Ltd | Investment | Subsidiary Companies | 1,299.87 | - | 1,156.96 |
| Himalayan Bio Organic Foods P Ltd | Sales/Purchase | Subsidiary Companies | 817.43 | - | (261.82) |
| Harbans lal Sharma | salary | Director | (0.37) | - | (0.18) |
| Mahadeep Singh Jamwal | salary | Director | (0.41) | - | (0.45) |
| Seema Rani | salary | Director | (0.58) | - | (0.53) |
| Sarveshwar Logistics | Freight | Other Related Entities | 1.89 | (28.90) | (10.79) |

## Note - 34: Capital Management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met mostly through internal accruals and some short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

In all the financial years presented in these financial statements Company has negative net debts and has met its capital requirements through internal accruals and equity shares issued through IPO during FY 2021-22. For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes short-term borrowings as reduced by cash and cash equivalents, fixed deposits held with bank and margin money held with banks.

## Note - 35: Impairment of Assets

In accordance with the Indian Accounting Standard (IndAS-36)on "Impairment of Assets" the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2023.

## Note - 36: Financial Instruments

This note gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The significant accounting policy in relation to financial instruments is contained in Note 1(E)(v).

**a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023, March 31, 2022 and April 01, 2021.

As at 31.03.2023 (₹ in Lakhs)

| Particulars | Amortized Cost | FVTOCI | FVTPL | Total carrying |
|---|---|---|---|---|
| **Financial Assets*** | | | | |
| Loans | 1,837.37 | | | 1,837.37 |
| Investments | 3,016.23 | | - | 3,016.23 |
| Trade receivables | 9,795.05 | | | 9,795.05 |
| Cash and cash equivalents | 11.73 | | | 11.73 |
| Other financial assets | 30.68 | | | 30.68 |
| | 14,691.06 | - | - | 14,691.06 |
| **Financial Liability*** | | | | |
| Borrowings | 13,461.17 | - | | 13,461.17 |
| Trade payables | 2,679.82 | | | 2,679.82 |
| Other financial liabilities | 361.81 | | | 361.81 |
| **As at 31.03.2023** | **16,502.80** | **-** | | **16,502.80** |

As at 31.03.2022 (₹ in Lakhs)

| Particulars | Amortized Cost | FVTOCI | FVTPL | Total carrying and fair value |
|---|---|---|---|---|
| **Financial Assets*** | | | | |
| Loans | 1,944.18 | | | 1,944.18 |
| Investments | 3,016.23 | | - | 3,016.23 |
| Trade receivables | 9,876.60 | | | 9,876.60 |
| Cash and cash equivalents | 13.89 | | | 13.89 |
| Other financial assets | 32.13 | | | 32.13 |
| | 14,883.02 | - | - | 14,883.02 |
| **Financial Liability*** | | | | |
| Borrowings | 12,933.96 | | | 12,933.96 |
| Trade payables | 3,506.87 | | | 3,506.87 |
| Other financial liabilities | 513.40 | | | 513.40 |
| **As at 31.03.2022** | **16,954.23** | **-** | | **16,954.23** |

As at 01.04.2021 (₹ in Lakhs)

| Particulars | Amortized Cost | FVTOCI | FVTPL | Total carrying and fair value |
|---|---|---|---|---|
| **Financial Assets*** | | | | |
| Loans | 1,282.46 | | | 1,282.46 |
| Investments | 3,016.23 | | | 3,016.23 |
| Trade receivables | 10,026.44 | | | 10,026.44 |
| Cash and cash equivalents | 22.49 | | | 22.49 |
| Other financial assets | 102.73 | | | 102.73 |
| | 14,450.35 | - | - | 14,450.35 |
| **Financial Liability*** | | | | |
| Borrowings | 11,882.27 | | | 11,882.27 |
| Trade payables | 1,552.22 | | | 1,552.22 |
| Other financial liabilities | 273.60 | | | 273.60 |
| **As at 01.04.2021** | **13,708.09** | **-** | | **13,708.09** |

* The fair value of all other financial asset and liability carried at amortize cost is equal to their carrying value as at balance sheet dates

**(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities. Company does not hold any asset/liability that fall into this category. This level of hierarchy includes Company's investment in quotes equity shares.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).Company does not hold any asset/liability that fall into this category.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Company does not hold any asset/liability that fall into this category.

| Particulars | Level -1 | | |
|---|---|---|---|
| | As at 31.03.2023 | As at 31.03.2022 | As at 01.04.2021 |
| Quoted equity instruments | - | - | - |
| Derivative financial liability | - | - | - |

**c) Financial risk management**

The Company's activities are primarily exposed to a market risk arising from movement in foreign exchange i.e. foreign exchange risk, price risk

| Risk | Nature of risk and instrument effected | Risk management policies |
|---|---|---|
| Market risk - currency risk | The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss for the items that are subject to currency risk which includes trade payables. | Company does not hedge its foreign exchange risk. |
| Market risk - interest rate risk | Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. Company does not have any borrowings at variable interest rates. Thus, there is no interest rate risk for the Company | Based on the composition of debt as at March 31, 2023 and March 31, 2022, a 50 basis points increase /(decrease) in interest rates would increase the Company's finance costs (before interest capitalised) and thereby consequently reduce/increase net profit before tax by approximately Rs.52.99 Lacs for the year ended March 31, 2023 (Previous Year Rs. 42.73 Lacs ). |
| Market risk - other price risk | Decline in the value of equity instruments. Company has invested in equity instruments of one Company whose shares are listed on the stock exchange. The price of these shares can increase/decrease which can effect the value. | The Company is not holding these shares for trading instead these shares have been held by the Company for long term purposes as the Company sees value in these investments. These investments are not actively hedged by the Company |
| Credit risk | Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The instrument that are subject to credit risk involves trade receivables, investments, deposits and loans, cash and cash equivalents etc | The Company has a policy of dealing only with credit worthy counter parties. Other risk management policies involves credit approval and monitoring practices, counterparty credit policies and limits. |
| Liquidity risk | Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. | The Company manages its liquidity positions through internal cash flow accruals. Other risk management policies involves preparing and monitoring forecasts of cash flows, cash management policies. |

## Note - 37: Adoption of Indian Accounting Standard (Ind AS)

**A Mandatory exceptions to retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

**(i) Estimates**

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

**(ii) Classification and measurement of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

**(iii) Derecognition of financial assets and financial liabilities**

Derecognition requirement for Ind AS 109 has been applied prospectively

**B Optional exemptions from retrospective application**

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

**(i) Property, plant and equipment:**

The company has elected to take the carrying value of its property, plant & equipment and intangible assets as per previous GAAP ( I GAAP ) as its deemed cost for Ind AS as at 1st April, 2021.

**(ii) Foreign Currency Transactions and Advance Consideration**

As per Para D 36 of Ind AS 101, the Company is not applying Appendix B of Ind AS 21 to assets initially recognized before 01.04.2021

**Reconciliation between Previous GAAP and Ind AS**

**i Equity Reconciliation**

| Particular | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|---|---|---|
| Equity as per Previous GAAP (Restated) | 16,966.78 | 12,249.15 | 11,928.69 |
| **Add: Adjustment** | | | |
| Lease Accounting | - | - | - |
| Present Value of Interest free loan | (19.56) | (4.15) | - |
| Deferred Taxes | 0.34 | 0.26 | - |
| **Equity as per Ind AS** | **16,947.56** | **12,245.27** | **11,928.69** |

**ii Comprehensive Income Reconciliation**

| Particular | April'22 - March'23 | April'21 - March'22 |
|---|---|---|
| Net Profit as per Previous GAAP | **414.98** | **334.34** |
| **Add: Adjustment** | | |
| Lease Accounting | | |
| Present Value of Interest free loan | (15.41) | (4.15) |
| Deferred Taxes | 0.08 | 0.26 |
| **Net profit as per Ind AS** | **399.65** | **330.45** |
| Other Comprehensive Income as per Ind AS | | |
| **Total Comprehensive Income as per Ind AS** | **399.65** | **330.45** |

**iii Cash flow reconciliation**

| Particular | Amount as per Previous GAAP | Effect of transition to Ind AS | Amount as per Ind AS |
|---|---|---|---|
| Net cash generated from/(used in) operating activities | (3,636.67) | - | (3,636.67) |
| Net cash generated from/(used in) investing activities | 96.38 | - | 96.38 |
| Net cash generated from/(used in) financing activities | 3,538.13 | - | 3,538.13 |
| **Net increase/(decrease) in cash and cash equivalents** | (2.16) | - | (2.16) |
| Cash and cash equivalents as at April 1 | 13.89 | - | 13.89 |
| **Cash and cash equivalents as at March 31, 2022** | **11.72** | **-** | **11.72** |

**Notes to reconciliation of total equity and total comprehensive income:**

**(i) Financial instruments**

(i) Under previous IGAAP, current investments were stated at lower of cost and fair value. Under Ind AS (Ind AS 109 "Financial Instruments"), these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognized in profit and loss

(ii) Under previous IGAAP, non-current investments were stated at cost. Under Ind AS (Ind AS 109"Financial Instruments"), these financial assets have been classified as Fair Value through Other Comprehensive Income (FVTOCI) on the date of transition and fair value changes after the date of transition has been recognized in Other Comprehensive Income

(iii) Under previous IGAAP, some financial assets are carried at books value. Under Ind AS (Ind AS 109"Financial Instruments"), these financial assets have been classified as Amortized cost on the date of transition and are carried at amortized cost using EIR .

**(ii) Deferred taxes**

Deferred taxes includes defererd tax impact on financial instruments recognized as per Ind AS 109 "Financial Instruments"

**(iii) Other comprehensive Income**

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the statement of profit and loss and other comprehensive income include re-measurement gains or losses on defined benefit plans, fair value changes on equity instrument recognized as FVTOCI.
The concept of other comprehensive Income did not exist under the Previous GAAP.

**NOTES ON ACCOUNTS (All amounts in Indian Rupees in Lakhs, unless otherwise stated)**

**NOTE 38 : Disclosures for leases under Ind AS 116 – "Leases".**

The Company has entered into short term lease (less than one year) and license agreements for taking warehouse space / office space on rental basis.

The specified disclosure in respect of these agreements is given below:

| Particular | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|---|---|---|
| **Recognized in Statement of Profit and Loss** | | |
| (i) Lease payments to Rathod Dineshbhai Kanjibhai, Ashok Kumar, NBHC, Jugal Kishore Aggarwal and Origo Commodities India Ltd(Godown Space) | 16.18 | 17.86 |
| (ii) Lease payments to Deepak Gupta,Anuradha Gupta, Jovraj Singh Slathia,Romesh Kumar, Dushyant Sharma, Shivani Sharma, Pushpa Devi,NBHC, Sonika Gupta, Ramesh Kumar, Sarthak Khajuria and Airport Shop (Store Space) | 9.33 | 32.02 |
| (iii) Lease payments to Rohit Gupta(Factory Space) | 12.00 | 36.00 |
| (iv) Lease payments to Arvind Valia (Office Space) | 11.15 | 10.62 |
| (v) Lease payments to Yadhivir Singh, Siddheshwar Khajuria, Palvee Raina and Puneet Kour (Guest House Space) | 1.98 | 5.12 |

Note: (i) The Company has given refundable, interest free security deposits under the

**1 Raw material consumed**

| Nature of Transaction | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Imported raw material | - | - |
| % of imported raw material | 0% | 0% |
| indigenous raw material | 33,255.82 | 23,804.38 |
| % of indigenous raw material | 100% | 100% |

**2 Disclosure on significant ratios**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 | % Change* |
|---|---|---|---|
| Current Ratio | 2.01 | 1.71 | 18% |
| Debt-Equity Ratio, | 0.44 | 0.51 | -14% |
| Debt Service Coverage Ratio | 1.48 | 1.59 | -7% |
| Return on Equity Ratio | 0.02 | 0.03 | -13% |
| Inventory turnover ratio | 2.25 | 2.23 | 1% |
| Trade Receivables turnover ratio | 3.40 | 2.79 | 22% |
| Trade payables turnover ratio | 12.41 | 6.79 | 83% |
| Net capital turnover ratio | 2.24 | 2.64 | -15% |
| Net profit ratio | 0.01 | 0.01 | 0% |
| Return on Investment | - | - | #DIV/0! |
| Return on Capital employed | 0.01 | 0.01 | 0% |

Reason for change in ratio: The company revenue has sugnificantly reduced during the current year due to global demand/supply issues. As a result of these there is a significant changes in ratio.

**Methodology:**

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ration = Total Debt / (Total Debt + Equity)
3. Debt Service Coverage Ratio = EBITDA / Finance Cost
4. Return on Equity Ratio = Profit After Tax / Total Equity
5. Inventory Turnover Ratio = Purchase / Inventory
6. Trade Receivable Turnover Ratio = Revenue from Operations / Trade Rec
7. Trade Payable Turnover Ratio = Purchase / Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liabi
9. Net Profit Ratio = Profit After Tax / Revenue from Operations
10. Return on Investment = Net income on investment / Cost of Equity Inve
11. Return on Capital Employed = Profit After tax / (Total Equity + Total Deb

**3 Security Details**

| Short Term Borrowings | 2023 | 2022 | 2021 |
|---|---|---|---|
| J&K Bank Cash Credit Facility ( Sanction Amount Rs. 10500 Lacs) @ 8% p.a. (MCLR +@0.70% ) secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book | 10,895.63 | 10,108.59 | 9,996.67 |
| J&K Bank Loan ( Sanction Amount Rs. 1867 Lacs) @ 1 Year MCLR + 150 bsp secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book debtst of the | 1,020.01 | 1,459.95 | 1,867.00 |
| J&K Bank Loan ( Sanction Amount Rs. 994.89 Lacs) @ 1 Year MCLR + 150 bsp secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book debts of the company | 933.78 | 933.78 | - |

**4 Other Notes**

(i) In the opinion of the Board of Directors and Management, all the assets other than, Property, Plant and Equipment, Intangible assets and non-current investments have a value on realisation in the ordinary course of business which is at least equal to the amount at which they are stated.

(ii) Figures for the previous year have been re-grouped/ rearranged/ restated wherever necessary to make them comparable with those of the current year.

(iii) The Company does not have any immovable property whose title deed is not held in name of the company.

(iv) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(v) The company have borrowings from the bank or financial institutions and company is regular in submitting monthly returns or statement of current assets to be filed with such bank/financial institution.

(vi) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(vii) The company has not done any transactions with companies struck off under section 248 of the companies Act 2013 or section 560 of companies Act 1956.

# Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of SARVESHWAR FOODS LIMITED ("hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss, and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, management discussion and analysis and report on corporate governance, but does not include the financial statements and our auditor's report thereon. The director's report, management discussion and analysis and report on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements
The Holding Company's Management and 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the Companies Included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors and management certified accounts as referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1.As required by Section 143(3) of the Act, we report that:
a.We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
b.In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
c.The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account
d.In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
f.With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
g.With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
i.The Company did not have any pending litigations for which there were any impact on 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.

**For KRA & Co.**
**Chartered Accountants**
**(Firm Registration No.020266N)**

**Gunjan Arora**
**Partner**
**Membership No.: 529042**
**UDIN: 23529042BGUGUT1848**
**Place: Delhi**
**Date: 30th May 2023**

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SARVESHWAR FOODS LIMITED

(Referred to in Paragraph 1 point (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of SARVESHWAR FOODS LIMITED (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') as at and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 IFCoFR of the Holding Company, its two subsidiary companies as aforesaid.

### Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include 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 Internal Financial Controls Over Financial Reporting.

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

**Opinion**

In our opinion, the Holding Company, its two subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Holding Company, its two subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

**For KRA & Co.**
**Chartered Accountants**
**(Firm Registration No.020266N)**

**Gunjan Arora**
**Partner**
**Membership No.: 529042**
**UDIN: 23529042BGUGUT1848**
**Place: Delhi**
**Date: May 30, 2023**

# Consolidated Balance Sheet as on March 31, 2023

## SARVESHWAR FOODS LIMITED

| | Note No. | (in Lakhs) As at 31-Mar-2023 | (in Lakhs) As at 31-Mar-2022 | (in Lakhs) As at 1-Apr-2021 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non current assets** | | | | |
| Property, Plant and Equipment and Intangible assets | | | | |
| (i) Property, Plant and Equipment | 2 | 1,594.59 | 1,841.32 | 1,989.15 |
| (ii) Right-of-use Asset | | 7.85 | 10.33 | 13.60 |
| (ii) Intangible assets | | 1.98 | 3.59 | 5.38 |
| Financial Assets | 3 | | | |
| Investments | | 122.42 | 133.56 | 417.34 |
| Loans | | 16.99 | 16.69 | 16.07 |
| Others | | 7.48 | 32.98 | 23.17 |
| Deferred Tax Assets (Net) | 4 | 95.47 | 52.54 | 53.59 |
| | | 1,846.78 | 2,091.02 | 2,518.30 |
| **Current assets** | | | | |
| Inventories | 5 | 27,348.58 | 22,095.73 | 24,431.24 |
| Financial Assets | | | | |
| Trade receivables | 6 | 17,616.84 | 21,835.73 | 20,605.06 |
| Cash and bank balances | 7 | 19.30 | 39.14 | 75.22 |
| Loans | 8 | 1,011.96 | 443.99 | 129.94 |
| Other Financial Assets | 9 | 241.82 | 229.77 | 445.21 |
| Other Current Assets | 10 | 7,958.75 | 4,658.16 | 352.24 |
| | | 54,197.25 | 49,302.52 | 46,038.92 |
| | | 56,044.03 | 51,393.53 | 48,557.23 |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Equity Share Capital | 11 | 2,896.72 | 2,456.72 | 2,456.72 |
| Other Equity | 12 | 18,464.28 | 13,819.86 | 13,493.60 |
| Minority Interest | | 23.20 | 22.15 | 21.42 |
| | | 21,384.20 | 16,298.73 | 15,971.74 |
| **Liabilities** | | | | |
| **Non current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 13 | 4,423.96 | 5,105.23 | 4,013.44 |
| Lease Liability | | 88.25 | 84.73 | 81.14 |
| Long term provisions | 14 | 8.27 | - | - |
| | | 4,520.48 | 5,189.96 | 4,094.58 |
| **Current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 15 | 24,274.13 | 21,417.68 | 22,552.36 |
| Trade payables | 16 | | | |
| (i) Total Outstanding dues of Micro and Small Enterprises a | | 579.44 | 25.55 | 44.59 |
| (ii) Total Outstanding dues other than Micro and Small Ente | | 2,361.38 | 6,581.56 | 4,896.46 |
| Other Finanical Liabilties | 17 | 2,166.57 | 1,205.59 | 776.13 |
| Short term provisions | 18 | 0.57 | - | - |
| Other current liabilities | 19 | 506.74 | 523.59 | 60.37 |
| Current Tax Liability (Net) | 20 | 250.49 | 150.87 | 161.00 |
| | | 30,139.35 | 29,904.84 | 28,490.91 |
| | | 56,044.03 | 51,393.53 | 48,557.22 |
| Significant accounting policies | 1 | 0.00 | 0.00 | 0.00 |

As per our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUT1848**

**Place: Jammu**
**Date: 30th May 2023**

**For and behalf of the Board of Directors**
**SARVESHWAR FOODS LIMITED**

| **Harbans Lal** | **Anil Sharma** | **Mohit Garg** |
|---|---|---|
| **Director** | **Managing Director** | **CFO** |
| **DIN:08571117** | **DIN:07417538** | **PAN: BOEPG0761F** |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

# Consolidated Profit & Loss Statement for the year ended on March 31, 2023

## SARVESHWAR FOODS LIMITED

| | Notes | (in Lakhs) For the year ended 31-Mar-2023 | (in Lakhs) For the year ended 31-Mar-2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 21 | 68,932.40 | 60,472.11 |
| Other income | 22 | 805.23 | 279.68 |
| | | **69,737.63** | **60,751.79** |
| **EXPENDITURE** | | | |
| Raw materials consumed | 23 | 39,804.20 | 23,082.35 |
| Purchases | 24 | 29,418.51 | 28,447.49 |
| Decrease in inventories of semi finished and | 25 | (6,623.92) | 3,217.37 |
| Employee benefits expenses | 26 | 384.89 | 399.05 |
| Depreciation expenses | 27 | 271.53 | 167.48 |
| Finance cost | 28 | 2,688.84 | 1,974.09 |
| Operating and other expenses | 29 | 2,703.45 | 2,598.76 |
| | | **68,647.50** | **59,886.59** |
| **Profit/(Loss) before tax** | | 1,090.13 | 865.20 |
| (a) Current Year Tax | | 341.86 | 244.46 |
| (b) Previous Year Tax | | - | - |
| (c) Deferred Tax | | (42.93) | 1.05 |
| **Profit/(Loss) after tax** | | **791.20** | **619.69** |
| **Appropriation** | | | |
| Remeasurement loss on defined benefit plans | | | |
| **Profit / (loss) for the year** | | **791.20** | **619.69** |
| Profit from Associates | | (11.14) | (283.78 |
| Net Profit | | **780.05** | **335.92** |
| **Profit Attributable to:** | | | |
| Minorities | | **1.04** | **0.74** |
| Owners of the Company | | **779.01** | **335.18** |
| Earnings per equity share | 30 | **3.08** | **1.36** |
| Basic and diluted annualised | | **2.97** | **1.36** |
| Significant accounting policies | 1 | | |

As per our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**For and behalf of the Board of Directors**
**SARVESHWAR FOODS LIMITED**

| | | | |
|---|---|---|---|
| **Gunjan Arora** | **Harbans Lal** | **Anil Sharma** | **Mohit Garg** |
| **Partner** | **Director** | **Managing Director** | **CFO** |
| **Membership No. 529042** | **DIN:08571117** | **DIN:07417538** | **PAN: BOEPG0761F** |
| **UDIN: 23529042BGUGUT1848** | | | |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

**Place: Jammu**
**Date: 30th May 2023**

# Consolidated Cash Flow Statement
## for the year ended at March 31, 2023

### SARVESHWAR FOODS LIMITED

| | (in Lakhs) For the year ended 31-Mar-2023 | (in Lakhs) For the year ended 31-Mar-2022 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit Before tax** | **1,090.13** | **865.20** |
| **Adjustment to reconcile profit before tax to net cash flows** | | |
| Prior Period Items | (10.35) | (27.11) |
| Depreciation / amortization expenses | 271.53 | 167.48 |
| Non Cash Adjustment on conversion of Subsidiary into Associate | 8.84 | |
| DDT & Interest theron reversed | - | 18.17 |
| Profit on sale of fixed assets | - | 0.02 |
| Interest income | (5.42) | (3.46) |
| Unrealized foreign exchange loss/ gain | (332.97) | (68.44) |
| Interest on loan | 2,688.84 | 1,974.09 |
| **Operating profit before working capital changes** | 3,710.61 | 2,925.96 |
| Movements in working capital : | | |
| Increase / (Decrease) in other liabilities | (16.84) | 463.22 |
| Increase / (Decrease) in lease liabilities | 3.52 | 3.59 |
| Increase / (Decrease) in Trade Payable | (3,666.28) | 1,666.05 |
| Increase / (Decrease) in Other Financial Liabilites | 960.98 | 429.47 |
| (Increase)/ Decrease in trade receivable | 4,218.89 | (1,230.67) |
| Decrease/(Increase) in Inventory | (5,252.85) | 2,335.51 |
| Decrease/(Increase) in Other Financial Assets | 13.45 | 205.63 |
| Decrease/ (Increase) in other current assets | (3,300.59) | (4,305.92) |
| **Net cash flow (used in) operations** | (3,329.13) | 2,492.84 |
| Less: Direct taxes paid Including Advance taxes | (242.24) | (254.59) |
| **Net cash flow (used in) operating activities (A)** | (3,571.37) | 2,238.25 |
| | | |
| **Cash flows from investing activities** | | |
| Decrease/ (Increase) in other non-current investment in FDR | - | - |
| Decrease/ (Increase) in other advances to related Parties | (555.92) | (298.21) |
| Decrease/ (Increase) in other advances | (12.35) | (16.46) |
| Purchase of fixed assets | (21.21) | (15.56) |
| Sale of Fixed Assets | 0.50 | 0.98 |
| Interest received | 5.42 | 3.46 |
| **Net cash flow (used in)/ generated from investing activities (B)** | (583.56) | (325.79) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from Share Issued | 4,315.78 | - |
| Proceeds/ repayments from/ of borrowings | 2,175.18 | (42.88) |
| Foreign Exchange Gain | 332.97 | 68.44 |
| Interest paid on loan | (2,688.84) | (1,974.09) |
| **Net cash flow from/ (used in) in financing activities (C)** | 4,135.09 | (1,948.54) |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | (19.84) | (36.08) |
| Cash and cash equivalents at the beginning of the year | 39.14 | 75.22 |
| **Cash and cash equivalents at the end of the year** | 19.30 | 39.14 |
| | | |
| **Total cash and cash equivalents (note 16)** | 19.30 | 39.14 |

Significant accounting policies

As per our report of even date
**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**For and behalf of the Board of Directors**
**SARVESHWAR FOODS LIMITED**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUT1848**

**Harbans Lal**
**Additional Director**
**DIN:08571117**

**Anil Sharma**
**Director**
**DIN:07417538**

**Mohit Garg**
**CFO**
**PAN: BOEPG0761F**

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

**Place: Jammu**
**Date: 30th May 2023**

## Notes to financial statements for the year ended March 31, 2023

**NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

**Note 1.**

**A Reporting Entity**

Himalayan Bio Organic Private Limited ('the Company'), was incorporated on February 09, 2015. The Company's main business is to manufacture of other food products.

**B Basis for preparation**

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

**C Statement of compliance**

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time . Upto the year ended March 31, 2022, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

**D Use of estimates and critical accounting judgments**

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.
Significant judgments and estimates relating to the carrying amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets and intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets and commitments and contingencies.

**E SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(i) Revenue from contract with customers**

Company has adopted Ind AS 115 "Revenue from Contract With Customers" starting April 01, 2018. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

**a) Sale of Goods**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually in case of domestic, such transfer occurs when the product is sold on ex-works; however, for exports transfer occurs upon loading the goods onto the relevant carrier at the port of seller. Generally for such products buyer has no right to return.

**(ii) Foreign currency transactions and translation**

The financial statements of the Company is presented in INR, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period.

**(iii) Property, plant and equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction are added to the cost of eligible tangible assets.
Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

**(iv) Depreciation and amortization of property, plant and equipment and intangible assets**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on written down value basis over the useful life as prescribed in Schedule II of the Companies Act, 2013 unless otherwise specified. Depreciable amount for the assets is the cost of an asset less its estimated residual value. Depreciation on addition to/deductions from fixed assets is provided on pro rata basis from/to the date of acquisition/disposal. Depreciation on assets under construction commences only when the assets are ready for their intended use.

**(v) Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**a) Financial assets**

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

**b) Financial liabilities and equity instruments**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**c) Derivative financial instruments**

The Company uses certain derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks.Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to their fair value. The fair values for forward currency contracts are marked to market at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**(vi) Employee benefits**

**Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes, where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

**Defined benefit plans**

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in Other Comprehensive Income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense, when the plan amendment or curtailment occurs, or when any related restructuring cost or termination benefits are recognised, whichever is earlier.
The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation, as reduced by the fair value plan assets.

**(vii) Inventories**

Inventories are valued at lower of cost and net realizable value (except scrap/waste which are valued at net realized value). "Cost" comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. The cost formula used is either "first in first out", or" specific identification", or the 'average cost", as applicable.

**(viii) Provisions**

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**(ix) Income taxes**

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws enacted in the country. Applicable Tax rates for calculating current year income tax provision & deferred tax include Health & Education Cess which has been held to be deductible expense as per various judicial pronouncements. Accordingly, provision for income tax of current year has been worked out after considering the deductible health & education cess paid during the year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity

**(x) Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks, remittances in transit and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**(xi) Leases**

Company has adopted Ind AS 116 "Leases" Starting April 01, 2019, with initial date of application being April 01, 2019.

**Accounting policy upto March 31, 2019:**

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**Accounting policy w.e.f. April 01,2019**

The Company applied Ind AS 116 using the modified retrospective approach with a date of initial application of April 01, 2019 and accordingly the comparative figures have not been restated. Moreover, there was no impact of initial application on the balance of retained earnings as of April 01, 2019.

**The Company as a lessee**

At inception of a contract the Company assess whether a contract is, or contain a lease. A contract is, or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method.

**The Company as a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Rental income from assets held under operating leases is recognized on straight line basis.

**(xii) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalized in the assets carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the Company and cost of the items can be reliably measured. All other repair and maintenance cost are expensed when incurred.

Investment property are depreciated using written down value basis over the useful life as prescribed in Schedule II of the Companies Act, 2013 unless otherwise specified.

**NOTE 2 Property, Plant and Equipment and Intangible assets** **(in ₹ Lacs)**

| | Land | Building | Plant & Machinery | Office Equipments | Furniture & Fixture | Electrical Installation | Vehicles | Computer | Softwares | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | | | | |
| **At April 1, 2021** | **912.35** | **1,077.87** | **1,373.79** | **134.61** | **105.36** | **5.48** | **177.86** | **51.10** | **12.11** | **3,805.61** |
| Additions | - | - | 4.98 | 2.95 | 2.62 | 0.12 | - | 4.88 | - | 15.55 |
| Disposals | - | - | - | - | - | - | 0.98 | - | - | 0.98 |
| **At March 31, 2022** | **912.35** | **1,077.87** | **1,378.77** | **137.56** | **107.98** | **5.60** | **176.88** | **55.98** | **12.11** | **3,865.09** |
| Additions | - | - | 9.91 | 4.18 | 1.36 | 0.12 | - | 5.64 | - | 21.21 |
| Disposals | - | - | - | - | - | - | 0.50 | - | - | 0.50 |
| **At March 31, 2023** | **912.35** | **1,077.87** | **1,388.68** | **141.74** | **109.34** | **5.72** | **176.38** | **61.62** | **12.11** | **3,885.80** |
| | | | | | | | | | | |
| **Depreciation** | | | | | | | | | | |
| **At April 1, 2021** | | **529.73** | **964.53** | **105.88** | **63.96** | **2.78** | **137.25** | **45.13** | **6.73** | **1,811.07** |
| Charge for the year | - | 52.09 | 76.36 | 7.26 | 10.73 | 0.67 | 10.48 | 4.84 | 1.79 | 164.22 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2022** | - | **581.82** | **1,040.89** | **113.14** | **74.69** | **3.45** | **147.73** | **49.97** | **8.52** | **2,020.21** |
| Charge for the year | - | 48.47 | 67.70 | 10.00 | 9.06 | 0.73 | 9.29 | 2.68 | 1.61 | 149.54 |
| Impairment | - | 57.72 | 53.30 | 8.48 | - | - | - | - | - | 119.50 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| **At March 31, 2023** | - | **688.01** | **1,161.89** | **131.62** | **83.75** | **4.18** | **157.02** | **52.65** | **10.13** | **2,289.25** |
| | | | | | | | | | | |
| **Net block** | | | | | | | | | | |
| **At March 31, 2021** | **912.35** | **548.14** | **409.26** | **28.72** | **41.40** | **2.70** | **40.61** | **5.97** | **5.38** | **1,994.53** |
| **At March 31, 2022** | **912.35** | **496.05** | **337.88** | **24.41** | **33.29** | **2.15** | **29.15** | **6.01** | **3.59** | **1,844.88** |
| **At March 31, 2023** | **912.35** | **389.86** | **226.79** | **10.11** | **25.59** | **1.54** | **19.36** | **8.97** | **1.98** | **1,596.55** |

| | (in Lakhs) As at 31-Mar-2023 | (in Lakhs) As at 31-Mar-2022 | (in Lakhs) As at 31-Mar-2021 |
|---|---|---|---|
| **NOTE 3** | | | |
| **Financial Assets** | | | |
| **Investments** | | | |
| Investment in Shares of Natural Global Foods DMCC | 26.23 | 26.23 | 26.23 |
| Add : Profit share till 03.03.2021 | 107.34 | 391.12 | 392.77 |
| Add : Profit share till 31.03.2021 from 04.03.2021 | - | - | (1.66) |
| Add : Profit share till 31.03.2022 from 01.04.2021 | - | (283.78) | - |
| Add : Profit share till 31.03.2022 from 01.04.2022 | (11.14) | - | - |
| **Loans** | - | - | - |
| Unsecured Loans & Advances (RP) | 16.99 | 16.69 | 16.07 |
| | - | - | - |
| **Other** | - | - | - |
| Margin Money Redeemable after 12 Months | 7.48 | 32.98 | 23.17 |
| **Total** | 146.89 | 133.56 | 417.34 |
| | | | |
| **NOTE 4** | | | |
| **Deferred Tax Liabilities** | | | |
| | | | |
| Deferred Tax Asset | 95.47 | 52.54 | 53.59 |
| Deferred Tax liability | - | - | - |
| | - | | |
| **Current year Provision** | (42.93) | 1.05 | 24.14 |
| | | | |
| **Total** | (95.47) | (52.54) | (53.59) |
| | | | |
| **NOTE 5** | | | |
| **INVENTORIES** | | | |
| (Stock of Traded Goods have been Valued at lower of Cost and NRV) | | | |
| Finished Goods Trading | 16,982.51 | 17,250.80 | 3,839.70 |
| Finished Goods Manufacturing | 10,152.53 | 3,260.33 | 19,888.80 |
| Raw Material | 213.53 | 1,584.61 | 702.75 |
| | - | - | - |
| **Total** | 27,348.58 | 22,095.73 | 24,431.24 |
| | | | |
| **NOTE 6** | | | |
| **TRADE RECEIVABLES** | | | |
| | - | - | - |
| Doubtful | - | - | - |
| Secured Considered Good | - | - | - |
| Unsecured Considered Good | 17,616.84 | 21,835.73 | 20,605.06 |
| | | | |
| **Total** | 17,616.84 | 21,835.73 | 20,605.06 |
| | | | |
| **Trade Receivable Ageing Schedule** | | | |
| | | | |
| **Particulars** | | | |
| **Undisputed trade receivable - considered good** | - | - | - |
| Less than six months | 14,147.92 | 17,082.48 | 18,259.64 |
| 6 months - 1 year | 1,367.00 | 3,531.22 | 1,312.16 |
| 1-2 years | 682.63 | 1,002.76 | 815.93 |
| 2-3 years | 533.47 | 33.58 | 122.12 |
| More than 3 years | 885.82 | 185.68 | 95.19 |
| **Total** | 17,616.84 | 21,835.73 | 20,605.06 |

| | | | |
|---|---|---|---|
| **Undisputed trade receivable - considered doubtful** | | | |
| Less than six months | - | - | - |
| 6 months - 1 year | - | - | - |
| 1-2 years | - | - | - |
| 2-3 years | - | - | - |
| More than 3 years | - | - | - |
| **Total** | - | - | - |

**NOTE 7**
**CASH AND BANK ADVANCES**

| | | | |
|---|---|---|---|
| Cash on Hand | 17.20 | 18.30 | 34.13 |
| Balance with Banks | 1.21 | 20.84 | 41.09 |
| Margin Money Redeemable in 3 months | 0.90 | - | - |
| **Total** | 19.30 | 39.14 | 75.22 |

**NOTE 8**
**Short-term loans and advances**

| | | | |
|---|---|---|---|
| Advance paid to Related Party | 940.99 | 385.07 | 86.87 |
| Security Deposits | 70.97 | 58.92 | 43.08 |
| **Total** | 1,011.96 | 443.99 | 129.94 |

**NOTE 9**
**Other Financial Assets**

| | | | |
|---|---|---|---|
| Margin Money Redeemable in 3-12 Months | 40.61 | 18.36 | 42.93 |
| Interest & subsidies receivable | 194.59 | 204.96 | 391.77 |
| Other Financial Asset | 6.62 | 6.45 | 10.52 |
| **Total** | 241.82 | 229.77 | 445.21 |

**NOTE 10**
**Other Current assets**

| | | | |
|---|---|---|---|
| Loans & Advances | 6.48 | 5.42 | 3.27 |
| GST Receivable | 354.58 | 229.44 | 221.73 |
| Prepaid Expenses | 8.65 | 19.84 | 32.53 |
| Advance paid to Vendors | 7,213.24 | 3,933.78 | 94.71 |
| Deffered Income | 375.80 | 469.68 | - |
| **Total** | 7,958.75 | 4,658.16 | 352.24 |

**NOTE 11**
**SHARE CAPITAL AUTHORISED**

| | | | |
|---|---|---|---|
| 30,000,000 Equity shares of Rs 10 each with voting rights | 3,000.00 | 3,000.00 | 3,000.00 |
| (Previous Year 30,000,000 Equity shares of Rs 10 each with voting rights) | | | |
| (Preceeding Previous Year 30,000,000 Equity shares of Rs 10 each with voting rights) | | | |
| 220,000 Preference shares of Rs. 1,000 Each | 2,200.00 | 2,200.00 | 2,200.00 |
| (Previous Year 220,000 Preference shares of Rs. 1,000 Each) | | | |
| (Preceeding Previous Year 220,000 Preference shares of Rs. 1,000 Each) | | | |

**ISSUED SUBSCRIBED AND FULLY PAID UP**

| | | | |
|---|---|---|---|
| 28,967,200 Equity shares of Rs 10 each with voting rights | 2,896.72 | 2,456.72 | 2,456.72 |
| (Previous Year 24,567,200 Equity Shares of Rs 10 each with voting rights) | | | |
| (Preceeding Previous Year 24,567,200 Equity Shares of Rs 10 each with voting rights) | | | |
| **Total** | 2,896.72 | 2,456.72 | 2,456.72 |

| | | | |
|---|---|---|---|
| **A) Reconciliation of number of equity shares outstanding** | | | |
| As at the beginning of the year | 24,567,200.00 | 24,567,200.00 | 24,567,200.00 |
| Add: Shares Issued during the year | 4,400,000.00 | - | - |
| Less: Bought back during the year | - | - | - |
| As at the end of the year | 28,967,200.00 | 24,567,200.00 | 24,567,200.00 |

| | | | |
|---|---|---|---|
| **Share holders having 5% or more Shares** | | | |
| **Name Of Shareholders** | | | |
| **Rohit Gupta** | | | |
| No. of shares | 18,088,800.00 | 18,088,800.00 | 18,088,800.00 |
| % of holding | 62.45 | 73.63 | 73.63 |
| **Other Promoters Group** | | | |
| No. of shares | 10,400.00 | 10,600.00 | 10,800.00 |
| % of holding | 0.04 | 0.04 | 0.04 |

| | | | |
|---|---|---|---|
| **Other Public Holding** | | | |
| No. of shares | 10,868,000.00 | 6,467,800.00 | 6,467,600.00 |
| % of holding | 37.52 | 26.33 | 26.33 |
| | 28,967,200.00 | 24,567,200.00 | 24,567,200.00 |
| | - | - | - |
| **B) Reconciliation of number of Preference shares outstanding** | | | |
| As at the beginning of the year | 220,000.00 | 220,000.00 | 220,000.00 |
| Add: Shares Issued during the year | | | |
| Less: Bought back during the year | | | |
| As at the end of the year | 220,000.00 | 220,000.00 | 220,000.00 |
| **Share holders having 5% or more Shares** | | | |
| **Name Of Shareholders** | | | |
| **Rohit Gupta** | | | |
| No. of shares | 220,000.00 | 220,000.00 | 220,000.00 |
| % of holding | 100.00 | 100.00 | 100.00 |
| | 220,000.00 | 220,000.00 | 220,000.00 |
| | - | - | - |
| **NOTE 13** | | | |
| **Long Term Liabilities** | | | |
| **Secured Loan** | | | |
| Term Loan from Banks | 4,920.32 | 5,864.19 | 3,890.64 |
| Less: Payable with 12 months | (922.10) | (952.09) | (13.58) |
| Unsecured Loans from Directors | 425.74 | 193.13 | 136.38 |
| **Total** | 4,423.96 | 5,105.23 | 4,013.44 |
| **NOTE 14** | | | |
| **Long term Provisions** | | | |
| Provision for Leave Encashment | 8.27 | - | - |
| **Total** | 8.27 | - | - |
| **NOTE 15** | | | |
| **Short Term Borrowings** | | | |
| Cash Credit | 23,352.04 | 20,279.10 | 20,477.77 |
| Loan From Banks Repayable in one year | 922.10 | 952.09 | 13.58 |
| Others | - | 186.49 | 2,061.01 |
| **Total** | 24,274.13 | 21,417.68 | 22,552.36 |
| **NOTE 16** | | | |
| **Trade payables** | | | |
| Due to MSME | 579.44 | 25.55 | 44.59 |
| Sundry Creditors for Trade | 2,361.38 | 6,581.56 | 4,896.46 |
| **Total** | 2,940.83 | 6,607.11 | 4,941.06 |
| **There are certain vendors who have confirmed that they** | | | |
| Principal amount and Interest due thereon remaining | 38.08 | 25.55 | 44.59 |
| the amount of interest paid by the buyer in terms of | - | - | - |
| The amount of interest due and payable for the year of | - | - | - |
| The amount of interest accrued and remaining unpaid | - | - | - |
| The amount of further interest remaining due and payable | - | - | - |

**Trade Payables Ageing Schedule***

| **Particulars** | | | |
|---|---|---|---|
| **Due to MSME** | | | |
| Less than one year | 579.44 | 25.55 | 44.59 |
| 1-2 years | - | - | - |
| 2-3 years | - | - | - |
| More than 3 years | - | - | - |
| **Total** | **579.44** | **25.55** | **44.59** |
| | 0.00 | - | - |
| **Other** | | | |
| Less than one year | 1,369.36 | 6,391.36 | 4,851.39 |
| 1-2 years | 354.76 | 156.23 | 6.52 |
| 2-3 years | 342.95 | 9.91 | 11.52 |
| More than 3 years | 294.31 | 24.07 | 27.04 |
| **Total** | **2,361.38** | **6,581.56** | **4,896.46** |

* There are no disputed dues for trade payable

**NOTE 17**
**Financial Liabilities**

| | | | |
|---|---|---|---|
| Expenses payable | 96.48 | 55.49 | 54.60 |
| Dividend on Preference Shares | 100.98 | 100.98 | 100.98 |
| Dividend Distribution Tax & Interest Theron payable | - | - | 18.18 |
| Bank OD (Unsecured) | 544.80 | 543.72 | - |
| Advance received from related Parties | 117.54 | 348.54 | 67.44 |
| Advance received from debtors | 1,306.77 | 156.86 | 534.92 |
| **Total** | 2,166.57 | 1,205.59 | 776.13 |

**NOTE 18**
**Short term Provisions**

| | | | |
|---|---|---|---|
| Provision for Leave Encashment | 0.57 | - | - |
| **Total** | 0.57 | - | - |

**NOTE 19**
**Other current liabilities**

| | | | |
|---|---|---|---|
| Statutory Liabilities: | 27.25 | (8.23) | 19.84 |
| Other current liabilities | 103.69 | 62.14 | 40.53 |
| Deferred Income | 375.80 | 469.68 | - |
| **Total** | 506.74 | 523.59 | 60.37 |

**NOTE 20**
**Short Term Provisions**

| | | | |
|---|---|---|---|
| Provision for Taxation (Net of advance tax) | 250.49 | 150.87 | 161.00 |
| **Total** | 250.49 | 150.87 | 161.00 |

| | (in Lakhs) For the year ended 31-Mar-2023 | (in Lakhs) For the year ended 31-Mar-2022 |
|---|---|---|
| **NOTE 21** | | |
| **Revenue from operations** | | |
| Sale of products | 68,932.40 | 60,472.11 |
| **Total** | 68,932.40 | 60,472.11 |
| **NOTE 22** | | |
| **Other Income** | | |
| Foreign Exchange Fluctuations | 336.25 | 72.21 |
| Discount Received | 8.50 | 100.03 |
| Duty Drawback/GST Refund | 5.86 | 22.59 |
| Interest on FDR & Loan | 5.42 | 3.46 |
| Job Work | 140.80 | 34.81 |
| Shortage /Excess | 6.00 | 5.07 |
| Miscellaneous income | 51.45 | 10.16 |
| Insurance Claim | 0.23 | 1.81 |
| Profit on sale of Rodtep Scrip | 228.13 | - |
| Profit on Sale of Asset | - | (0.02) |
| Other Income (Organic Project) | 22.59 | 29.56 |
| **Total** | 805.23 | 279.68 |
| **NOTE 23** | | |
| **MATERIAL CONSUMED** | | |
| **Raw Materials' Consumption** | | |
| Opening Stock | 1,584.61 | 702.75 |
| Add: Purchases | 38,078.91 | 16,893.74 |
| Add Unprocessed Rice | - | 6,746.34 |
| Add: Freight Inward | 82.23 | 24.33 |
| Add: Packing Material Purchase | 271.98 | 299.80 |
| Less : Closing Stock | (213.53) | (1,584.61) |
| | - | - |
| **COGS** | 39,804.20 | 23,082.35 |
| **NOTE 24** | | |
| **PURCHASE OF TRADED GOODS** | | |
| Purchase of traded goods | 29,418.51 | 28,447.49 |
| **Total** | 29,418.51 | 28,447.49 |
| **NOTE 25** | | |
| **INCREASE /(DECREASE ) & FINISHED GOODS** | | |
| Opening Stock of Finished Goods | 20,511.12 | 23,728.50 |
| Closing Stock of Finished Goods | 27,135.04 | 20,511.12 |
| Increase/(Decrease) in Finished Goods | (6,623.92) | 3,217.37 |
| **Total** | (6,623.92) | 3,217.37 |
| **NOTE 26** | | |
| **EMPLOYEE BENEFIT EXPENSE** | | |
| Salaries | 372.90 | 353.38 |
| Directors Remuneration | - | 37.86 |
| Staff Welfare | 12.00 | 7.82 |
| **Total** | 384.89 | 399.05 |

**NOTE 27**

**Depreciation**

| | | |
|---|---|---|
| Depreciation on Fixed Assets | 269.04 | 164.22 |
| Depreciation on Right to Use Assets | 2.48 | 3.27 |
| **Total** | 271.52 | 167.49 |

**NOTE 28**

**Financial costs**

| | | |
|---|---|---|
| Bank Interest | 2,269.74 | 1,832.59 |
| Bank Charges | 376.34 | 131.52 |
| Interest on late payments of statutory dues | 19.41 | 2.36 |
| Foreign Exchange Loss | 3.28 | - |
| Interest on unsecured Loan | 2.30 | - |
| Interest on Lease Liability | 7.95 | 7.62 |
| **Total** | 2,688.84 | 1,974.09 |

**NOTE 29**

**Other expenses**

| | | |
|---|---|---|
| **Manufacturing Expenses** | | |
| Consumables | 4.02 | 2.00 |
| Electricity Charges | 98.30 | 86.70 |
| Fumigation expense | 1.49 | 1.32 |
| Inspection Charges | 6.68 | 9.64 |
| Job Work | - | 0.25 |
| Pest control service charges | 83.78 | 113.52 |
| Repair & Maintenance | 34.84 | 35.51 |
| Toll Tax | 0.12 | 0.07 |
| Wages & Labour Charges | 532.78 | 374.32 |
| | - | |
| **Business Development Expenses** | | |
| Business Promotion | 55.04 | 60.94 |
| | | |
| **Selling, Distribution & Administration Expenses** | | |
| Advertisement Expenses | 56.42 | 3.59 |
| Audit fee | 15.00 | 8.58 |
| Audit Expenses | 0.46 | 1.31 |
| Bad Debts & Provisions | - | 0.42 |
| Brokerage & Commission | 49.50 | 33.87 |
| Business Promotion & Marketing | 20.57 | 88.47 |
| Clearing & Handling Charges | 432.64 | 430.15 |
| Communication Charges | 11.95 | 12.88 |
| Consultancy Expense | 0.16 | 1.06 |
| Conveyance & Travelling | 71.19 | 53.10 |
| CSR Expenses | 36.96 | 100.11 |
| Discounts Allowed | 10.49 | 15.31 |
| Foreign Exchange Loss | | 3.77 |
| Freight & transportation on Sales | 512.23 | 615.54 |
| Insurance | 109.75 | 81.27 |
| Inspection Fees | 140.26 | 88.71 |
| Misc. Expenses | 83.45 | 51.73 |
| Loss on Sale of Subsidiary | - | - |
| Printing & Stationery | 11.16 | 5.69 |
| Prior Period Expense | 1.40 | 8.89 |
| Professional Fees | 108.29 | 94.83 |
| Rent, Rates & Taxes | 191.25 | 193.58 |
| Repair & Maintenance | 23.29 | 21.64 |
| | | |
| **Total** | 2,703.45 | 2,598.76 |

| | | |
|---|---|---|
| **Note No. 29(i): Payment to Auditors** | | |
| Audit Fee | 7.06 | 3.78 |
| | | |
| **Total** | 7.06 | 3.78 |

**NOTE 30**
**Earning Per Share**

| | | |
|---|---|---|
| a) Profit for the year (in Rs ) | 7,79,01,183 | 3,35,17,713 |
| No of Shares at beginning of the year | 2,45,67,200.00 | 2,45,67,200.00 |
| No of Shares at end of the year | 2,89,67,200.00 | 2,45,67,200.00 |
| b) Weighted average no. of equity shares outstanding | 2,52,54,323.29 | 2,45,67,200.00 |
| Weighted Average Free Shares (on account of warrants) | 9,42,786.45 | |
| c) Earning per share | | |
| Basic (in Rs) | 3.08 | 1.36 |
| Diluted (in Rs) | 2.97 | 1.36 |

12 **Other Equity** (₹ in Lakhs)

| Particulars | Reserve and Surplus | Security Premium Account | General Reserve | Other Comprehensive Income | | |
|---|---|---|---|---|---|---|
| | Retained Earnings | | | Warrant reserve | Preference Shares | Grand Total |
| **Opening balance as at 01.04.2021** | **6,822.71** | **4,347.62** | **123.27** | | **2,200.00** | **13,493.60** |
| Add: Profit for the year | 335.18 | - | 16.72 | - | | 351.89 |
| Less: Transfer to General Reserve | (16.72) | | | | | (16.72) |
| Less: Prior Period Items | (27.11) | | | | | (27.11) |
| Add: IND AS Adjustmnet | 18.17 | | | | | 18.17 |
| | | | | | | - |
| **Closing balance as at 31.03.2022** | **7,132.24** | **4,347.62** | **139.99** | **-** | **2,200.00** | **13,819.84** |
| Add: Profit for the year | 779.01 | | **20.75** | | | 799.76 |
| Less: Transfer to General Reserve | (20.75) | | | | | (20.75) |
| Add: Received during the year | - | 3,132.80 | | 742.98 | | 3,875.78 |
| Less: Prior Period Items | (10.35) | | | | | (10.35) |
| **Restated Closing balance as at 31.03.2023** | **7,880.15** | **7,480.42** | **160.73** | **742.98** | **2,200.00** | **18,464.28** |

**A Equity share capital** (₹ in Lakhs)

| Particular | Amount |
|---|---|
| **Balance as at April 01, 2021** | **2,456.72** |
| Bonus shares issued during the year | - |
| Shares issued during the year (IPO) | - |
| | |
| **Balance as at March 31, 2022** | **2,456.72** |
| Bonus shares issued during the year | - |
| Shares issued during the year | 440.00 |
| **Balance as at March 31, 2023** | **2,896.72** |

**B Other Equity** (₹ in Lakhs)

| Particulars | Reserve and Surplus | Security Premium Account | General Reserve | Other Comprehensive Income | | Grand Total |
|---|---|---|---|---|---|---|
| | Retained Earnings | | | Warrant reserve | Preference Shares | |
| **Opening balance as at 01.04.2021** | **6,822.71** | **4,347.62** | **123.27** | | **2,200.00** | **13,493.60** |
| Add: Profit for the year | 335.18 | - | 16.72 | - | | 351.89 |
| Less: Transfer to General Reserve | (16.72) | | | | | (16.72) |
| Less: Prior Period Items | (27.11) | | | | | (27.11) |
| Add: IND AS Adjustmnet | 18.17 | | | | | 18.17 |
| | | | | | | - |
| **Closing balance as at 31.03.2022** | **7,132.24** | **4,347.62** | **139.99** | **-** | **2,200.00** | **13,819.84** |
| Add: Profit for the year | 779.01 | | **20.75** | | | 799.76 |
| Less: Transfer to General Reserve | (20.75) | | | | | (20.75) |
| Add: Received during the year | - | 3,132.80 | | 742.98 | | 3,875.78 |
| Less: Prior Period Items | (10.35) | | | | | (10.35) |
| **Restated Closing balance as at 31.03.2023** | **7,880.15** | **7,480.42** | **160.73** | **742.98** | **2,200.00** | **18,464.28** |

The accompanying notes are integral part of the Financial Statements

In terms of our report of even date

**For K R A & Co**
**Firm Registration No: 020266N**
**Chartered Accountants**

**Gunjan Arora**
**Partner**
**Membership No. 529042**
**UDIN: 23529042BGUGUT1848**

**Place: Jammu**
**Date: 30th May 2023**

**For and behalf of the Board of Directors**
**Sarveshwar Foods Limited**

**Harbans Lal**
**Director**
**DIN:08571117**

**Anil Sharma**
**Managing Director**
**DIN:07417538**

**Mohit Garg**
**CFO**
**PAN: BOEPG0761F**

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

## Note 31: Employee benefit Plan

**(A) Defined benefit Plan**
**The defined benefit plan operated by the Company is as below:**

**Retiring gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity plan of the Company is funded. The information in the note is for disclosure purpose.

**The defined benefit plans expose the Company to a number of actuarial risks as below:**

**(a) Interest risk:** A decrease in the bond interest rate will increase the plan liability.

**(b) Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(c) Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

**The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:**

**(i) Change in Defined Benefit Obligation (DBO) during the year** **(₹ in Lakhs)**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the beginning of the year | 11.89 | - |
| Past Service Cost | - | 9.15 |
| Current service cost | 3.31 | 2.73 |
| Interest cost | 0.86 | - |
| Actuarial loss arising from changes in financial assumptions | (1.14) | - |
| Actuarial loss arising from changes in experience adjustments | (1.37) | - |
| Benefits paid | - | - |
| **Present value of DBO at the end of the year** | **13.55** | **11.88** |

**(ii) Change in fair value of plant assets during the year**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | | |
| Interest income | | |
| Employer contributions | - | - |
| Benefits paid | - | - |
| Funded Status | (2.87) | (2.96) |
| Fair value of plan assets at the end of the year | **(2.87)** | **(2.96)** |

**(iii) Amounts recognised in the Balance Sheet**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the end of the year | 13.55 | 11.88 |
| Fair value of plan assets at the end of the year | (2.87) | (2.96) |
| **Net Liability recognised in the Balance Sheet** | **16.42** | **14.84** |

**(iv) Components of employer expense**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Current service cost | 3.31 | 2.73 |
| Past Service Cost | - | 9.15 |
| Interest cost | 0.86 | - |
| **Expense recognised in Statement of Profit t and Loss** | **4.17** | **11.88** |

**(v) Other comprehensive (income) / loss**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| | | |
| Actuarial loss arising from changes in financial assumptions | (1.14) | - |
| Actuarial loss arising from changes in demographic assumptions | - | - |
| Actuarial loss arising from changes in experience adjustments | (1.37) | - |
| **Remeasurements recognised in other comprehensive income** | **(2.51)** | **-** |

**(vi) Amount recognized in other comprehensive income at period end**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Amount recognized in OCI at beginning of the period | - | - |
| Add: Remeasurements recognised in other comprehensive income | (1.33) | - |
| | **(1.33)** | **-** |

**(vii) Nature and extent of investment details of the plan assets**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| State and Central Securities | - | - |
| Bonds | - | - |
| Special deposits | - | - |
| Insurer managed funds | - | - |

**(viii) Assumptions**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Discount Rate | 7.36% | 7.26% |
| Rate of increase in Compensation levels | 7.00% | 7.00% |
| Rate of Return on Plan Assets | NA | NA |

**(ix) Sensitivity Analysis**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Base Liability | 13.55 | NA |
| Increase Discount Rate by 0.5% | (0.89) | NA |
| Decrease Discount Rate by 0.5% | 0.98 | NA |
| Increase Salary Inflation by 0.5% | 0.98 | NA |
| Decrease Salary Inflation by 0.5% | (0.90) | NA |

**The following table sets out the amounts recognised in the financial statements in respect of Leave Encashment :**

**(i) Change in Defined Benefit Obligation (DBO) during the year** **(₹ in Lakhs)**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the beginning of the year | 22.72 | - |
| Past Service Cost | 0.76 | 17.52 |
| Current service cost | 3.67 | 5.19 |
| Interest cost | 1.52 | - |
| Actuarial loss arising from changes in financial assumptions | (1.53) | - |
| Actuarial loss arising from changes in experience adjustments | (3.65) | - |
| Benefits paid | - | - |
| **Present value of DBO at the end of the year** | **23.49** | **22.71** |

**(ii) Change in fair value of plant assets during the year**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | | |
| Interest income | | |
| Employer contributions | - | - |
| Benefits paid | - | - |
| Funded Status | (1.59) | (3.88) |
| Fair value of plan assets at the end of the year | **(1.59)** | **(3.88)** |

**(iii) Amounts recognised in the Balance Sheet**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Present value of DBO at the end of the year | 23.49 | 22.71 |
| Fair value of plan assets at the end of the year | (1.59) | (3.88) |
| **Net Liability recognised in the Balance Sheet** | **25.08** | **26.59** |

**(iv) Components of employer expense**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Current service cost | 3.67 | 5.19 |
| Past Service Cost | - | 17.52 |
| Interest cost | 1.52 | - |
| **Expense recognised in Statement of Profit t and Loss** | **5.19** | **22.71** |

**(v) Other comprehensive (income) / loss**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| | | |
| Actuarial loss arising from changes in financial assumptions | (1.53) | - |
| Actuarial loss arising from changes in demographic assumptions | - | - |
| Actuarial loss arising from changes in experience adjustments | (3.65) | - |
| **Remeasurements recognised in other comprehensive income** | **(5.18)** | **-** |

**(vi) Amount recognized in other comprehensive income at period end**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Amount recognized in OCI at beginning of the period | - | - |
| Add: Remeasurements recognised in other comprehensive income | (1.66) | - |
| | **(1.66)** | **-** |

**(vii) Nature and extent of investment details of the plan assets**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| State and Central Securities | - | - |
| Bonds | - | - |
| Special deposits | - | - |
| Insurer managed funds | - | - |

**(viii) Assumptions**

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Discount Rate | 7.36% | 7.26% |
| Rate of increase in Compensation levels | 7.00% | 7.00% |
| Rate of Return on Plan Assets | NA | NA |

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---|---|
| Base Liability | 23.49 | NA |
| Increase Discount Rate by 0.5% | (1.51) | NA |
| Decrease Discount Rate by 0.5% | 1.65 | NA |
| Increase Salary Inflation by 0.5% | 1.65 | NA |
| Decrease Salary Inflation by 0.5% | (1.52) | NA |

**(B) Defined Contribution Plan**

**Provident fund and pension**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the employee provident fund organization (EPFO).

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounted to Rs. 7.43 Lakhs (PY: Rs. 6.68 Lakhs)

## Note - 32: Segment Reporting

The Company is engaged in Primarily in the business of manufacture of organic products. Considering the nature of Company's business and operations, as well as based on review of operating results by the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable business segment and is a single geographical segment (India), in accordance with the requirement of Ind AS 108 - "Operating Segments"

| | Year Ended | |
|---|---|---|
| | 31.03.2023 (Audited) | 31.03.2022 (Audited) |
| Domestic | 57,861.45 | 47,179.28 |
| Export | 13,798.44 | 14,259.74 |

## Note - 33: Contingent Liabilities and commitment

The Company has contingent Liablities in the following cases:-

| Financial Year | Section | Demand Amount with Interest | Date |
|---|---|---|---|
| 2017-2018 | 1431a | 17,500.00 | 11/13/2019 |
| 2018-2019 | 1431a | 95,290.00 | 4/30/2020 |
| 2015-2016 | 271(1)(b) | 200.00 | 11/10/2018 |
| 2016-2017 | 154 | 203,670.00 | 9/7/2021 |
| 2016-2017 | 270A | 80,936.00 | 3/22/2022 |
| 2018-2019 | 143(1)(a) | Not Ascertainable | 2/14/2020 |
| 2021-2022 | 143(1)(a) | Not Ascertainable | 12/14/2022 |
| 2019-2020 | | Not Ascertainable | 3/12/2020 |
| 2016-2017 | | Not Ascertainable | 2/11/2021 |
| 2017-2018 | 143(1)(a) | Not Ascertainable | 3/18/2019 |
| 2016-2017 | | Not Ascertainable | 11/16/2022 |
| 2022-2023 | | Not Ascertainable | 11/3/2022 |
| 2022-2023 | | Not Ascertainable | 9/15/2022 |
| 2022-2023 | | Not Ascertainable | 6/13/2022 |
| 2020-2021 | 143(1) | 24,813.00 | 10/11/2022 |
| 2021-2022 | 143(1) | 63,000.00 | 2/21/2023 |
| 2018-2019 | 143(1) | 525,280.00 | 4/30/2020 |
| 2019-2020 | 143(1) | 15,708.00 | 12/23/2021 |
| 2017-2018 | 143(1) | Not ascertainable | 3/18/2019 |
| 2017-2018 | 148/147 | Not ascertainable | 3/31/2022 |
| 2021-2022 | 143(1) | Not ascertainable | 12/14/2022 |
| 2012-2013 | 147/148 | Not ascertainable | 3/31/2021 |
| 2017-2018 | 143(3) | 45.85 | 4/26/2021 |
| 2015-2016 | 143(3) | 36.63 | 12/4/2018 |
| 2017-2018 | 143(1)(a) | Not ascertainable | 3/18/2019 |
| 2017-2018 | 148/147 | Not ascertainable | 3/31/2022 |
| 2021-2022 | 143(1)(a) | Not ascertainable | 12/14/2022 |
| 2012-2013 | 148/147 | Not ascertainable | 3/31/2021 |

## Note - 34: Statement of Related Party Disclosure

### (a) List of related parties and related party relationship

| Related party relationship | Name of the related party |
|---|---|
| **Key Management Personal (KMP)** | Anil Kumar Sharma<br>(Managing Director)<br>Seema Rani |
| **Relatives of Directors** | Suraj Prakash Gupta |
| | Radha Rani |
| | Pooja Gupta |
| **Directors** | Rohit Gupta |
| | Tej Partap |
| | Adarsh Kumar Gupta |
| | Harbans Lal |
| | Mahadeep Singh Jamwal |
| | Seema Rani |
| | Pradeep kumar Sharma |
| | Uttam Kumar Padha |
| **Entities in which KMP / Relatives of KMP can exercise significant influence** | Sarveshwar Logistics |
| | Radhika Overseas |
| | Sarveshwar International |
| | Himalayan Ancient Foods Pvt Ltd |
| | Radhika Pest Control |
| | Shree Jee Trading |

### (b) Related party transactions and balances

In Lakhs

| Name of related party | Relatives | Nature of transaction | Transaction during the year Dr./(Cr.) | | |
|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2021 |
| Rohit Gupta | Director | Directors Remuneration | 8.76 | - | |
| Rohit Gupta | Director | Rent | 12.00 | 40.20 | 39.89 |
| Rohit Gupta | Director | Unsecured Loan received | 998.00 | - | - |
| Rohit Gupta | Director | Unsecured Loan Repaid | 685.00 | - | - |
| Radha Rani Gupta | Relative of KMP | Unsecured Loan Taken | 6.50 | - | - |
| Anil Sharma | Director | salary | 10.47 | 9.81 | 9.85 |
| Surendar Jasrotia | Director | salary | 10.52 | 10.52 | 17.65 |
| Sunil Bakshi | Relative of Director | salary | - | - | 2.35 |
| Adarsh Gupta | Director | salary | - | 0.45 | 0.50 |
| Uttar Kumar Padha | Director | salary | - | 0.11 | 0.33 |
| Gayatri Tandon | Relative of Director | salary | - | - | 7.31 |
| Ritesh Maini | Relative of Director | salary | - | 1.13 | - |
| Harbans lal Sharma | Director | salary | 5.93 | 8.60 | - |
| Mahadeep Singh Jamwal | Director | salary | 6.08 | 5.58 | - |
| Seema Rani | Director | salary | 6.75 | 7.44 | 5.78 |
| Sarveshwar Logistics | Other Related Entities | Freight | 62.00 | 56.50 | 69.25 |
| Sarveshwar International | Other Related Entities | Sales | - | 114.14 | - |
| Radhika Overseas (Delhi) | Other Related Entities | Sales | 17.53 | - | - |
| Radhika Overseas | Other Related Entities | Sales | 91.44 | 546.58 | 0.51 |
| Radhika Overseas | Other Related Entities | Purchases | 702.45 | 201.65 | 81.02 |
| Radha Rani | Relatives of KMP | Unsecured Loan received | - | 40.00 | - |
| Radha Rani | Relatives of KMP | Unsecured Loan repaid | 5.00 | 76.55 | - |
| Radha Rani | Relatives of KMP | Rent | 12.00 | - | - |

**Balance Outstanding at the end of the year**

In Lakhs

| Name of related party | Nature of transaction | Relations | Closing Balance Dr./(Cr.) | | |
|---|---|---|---|---|---|
| | | | 2023 | 2022 | 2021 |
| Rohit Gupta | Rent | Director | (5.05) | (55.39) | (28.55) |
| Rohit Gupta | Unsecured Loan | Director | (241.38) | (91.37) | (91.37) |
| Radha Rani Gupta | Unsecured Loan | Relative of KMP | (9.50) | (7.12) | (54.12) |
| Radhika Overseas | Sale/purchase | Other Related Entities | 3.48 | 36.84 | 82.37 |
| Natural Global Food DMCC | Investment | Subsidiary Companies | 43.22 | 42.92 | 42.29 |
| Anil Sharma | salary | Director | (0.80) | 10.08 | (0.28) |
| Radhika Overseas (Delhi) | Sales | Other Related Entities | - | 264.83 | - |
| Harbans lal Sharma | salary | Director | (0.37) | - | (0.18) |
| Mahadeep Singh Jamwal | salary | Director | (0.41) | - | (0.45) |
| Seema Rani | salary | Director | (0.58) | - | (0.53) |
| Sarveshwar Logistics | Freight | Other Related Entities | (74.08) | (86.07) | (38.07) |
| Radha Rani | Unsecured Loan | Relatives of KMP | (3.36) | 8.35 | (45.00) |
| Radha Rani | Rent | Relatives of KMP | (2.83) | - | - |
| Radhika Overseas | Sale | Other Related Entities | - | (4.16) | (4.50) |

## Note - 35: Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital throug structure that supports growth.

## Note - 36: Impairment of Assets

In accordance with the Indian Accounting Standard (IndAS-36)on "Impairment of Assets" the Company has, during the year, carried c identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting on the exercise, no impairment loss is required as at March 31, 2023.

## Note - 37: Financial Instruments

This note gives an overview of the significance of financial instruments for the Company and provides additional information on bal that contain financial instruments. The significant accounting policy in relation to financial instruments is contained in Note 1(E)(v).

### a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and April 01, 2021.

**As at 31.03.2023** **(₹ in Lakhs)**

| Particulars | Amortized Cost | FVTOCI | FVTPL | Total carrying and fair value |
|---|---|---|---|---|
| **Financial Assets*** | | | | |
| Loans | 1,028.95 | | | 1,028.95 |
| Investments | 122.42 | | | 122.42 |
| Trade receivables | 17,616.84 | | | 17,616.84 |
| Cash and cash equivalents | 19.30 | | | 19.30 |
| Other financial assets | 249.30 | | | 249.30 |
| | 19,036.82 | - | - | 19,036.82 |
| **Financial Liability*** | | | | |
| Borrowings | 28,698.09 | | | 28,698.09 |
| Trade payables | 2,940.83 | | | 2,940.83 |
| Other financial liabilities | 2,166.57 | | | 2,166.57 |
| **As at 31.03.2023** | **33,805.49** | **-** | | **33,805.49** |

As at 31.03.2022 (₹ in Lakhs)

| Particulars | Amortized Cost | FVTOCI | FVTPL | Total carrying and fair value |
|---|---|---|---|---|
| **Financial Assets*** | | | | |
| Loans | 460.68 | - | - | 460.68 |
| Investments | 133.56 | - | - | 133.56 |
| Trade receivables | 21,835.73 | - | - | 21,835.73 |
| Cash and cash equivalents | 39.14 | - | - | 39.14 |
| Other financial assets | 262.74 | - | - | 262.74 |
| | 22,731.86 | - | - | 22,731.86 |
| **Financial Liability*** | | | | |
| Borrowings | 26,522.91 | - | - | 26,522.91 |
| Trade payables | 6,607.11 | - | - | 6,607.11 |
| Other financial liabilities | 1,205.59 | - | - | 1,205.59 |
| **As at 31.03.2022** | **34,335.61** | **-** | | **34,335.61** |

As at 01.04.2021 (₹ in Lakhs)

| Particulars | Amortized Cost | FVTOCI | FVTPL | Total carrying and fair value |
|---|---|---|---|---|
| **Financial Assets*** | | | | |
| Loans | 146.02 | - | - | 146.02 |
| Investments | 417.34 | - | - | 417.34 |
| Trade receivables | 20,605.06 | - | - | 20,605.06 |
| Cash and cash equivalents | 75.22 | - | - | 75.22 |
| Other financial assets | 468.38 | - | - | 468.38 |
| | 21,712.02 | - | - | 21,712.02 |
| **Financial Liability*** | | | | |
| Borrowings | 26,565.80 | - | - | 26,565.80 |
| Trade payables | 4,941.06 | - | - | 4,941.06 |
| Other financial liabilities | 776.13 | - | - | 776.13 |
| **As at 01.04.2021** | **32,282.98** | **-** | **-** | **32,282.98** |

* The fair value of all other financial asset and liability carried at amortize cost is equal to their carrying value as at balance sheet dates

**(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities. Company does not hold any asset/liability that fall into this category. This level of hierarchy includes Company's investment in quotes equity shares.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).Company does not hold any asset/liability that fall into this category.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Company does not hold any asset/liability that fall into this category.

| Particulars | Level -1 | | |
|---|---|---|---|
| | **As at 31.03.2023** | **As at 31.03.2022** | **As at 01.04.2021** |
| Quoted equity instruments | - | - | - |

**c) Financial risk management**

The Company's activities are primarily exposed to a market risk arising from movement in foreign exchange i.e. foreign exchange risk, price risk

| Risk | Nature of risk and instrument effected | Risk management policies |
|---|---|---|
| Market risk - currency risk | The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss for the items that are subject to currency risk which includes trade payables. | Company does not hedge its foreign exchange risk |
| Market risk - interest rate risk | Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. Company does not have any borrowings at variable interest rates. Thus, there is no interest rate risk for the Company | Based on the composition of debt as at March 31, 2023 and March 31, 2022, a 50 basis points increase /(decrease) in interest rates would increase the Company's finance costs (before interest capitalised) and thereby consequently reduce/increase net profit before tax by approximately Rs.122.39 Lacs for the year ended March 31, 2023 (Previous Year Rs. 93.88 Lacs ). |
| Market risk - other price risk | Decline in the value of equity instruments. Company has invested in equity instruments of one Company whose shares are listed on the stock exchange. The price of these shares can increase/decrease which can effect the value. | NA |
| Credit risk | Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The instrument that are subject to credit risk involves trade receivables, investments, deposits and loans, cash and cash equivalents etc | The Company has a policy of dealing only with credit worthy counter parties. Other risk management policies involves credit approval and monitoring practices, counterparty credit policies and limits. |
| Liquidity risk | Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. | The Company manages its liquidity positions through internal cash flow accruals. Other risk management policies involves preparing and monitoring forecasts of cash flows, cash management policies. |

**Note - 38: Adoption of Indian Accounting Standard (Ind AS)**

**A Mandatory exceptions to retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

**(i) Estimates**

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

**(ii) Classification and measurement of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

**(iii) Derecognition of financial assets and financial liabilities**

Derecognition requirement for Ind AS 109 has been applied prospectively

**B Optional exemptions from retrospective application**

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

**(i) Property, plant and equipment:**

The company has elected to take the carrying value of its property, plant & equipment and intangible assets as per previous GAAP ( I GAAP ) as its deemed cost for Ind AS as at 1st April, 2021.

**(ii) Foreign Currency Transactions and Advance Consideration**

As per Para D 36 of Ind AS 101, the Company is not applying Appendix B of Ind AS 21 to assets initially recognized before 01.04.2021

**Reconciliation between Previous GAAP and Ind AS**

**i Equity Reconciliation**

| Particular | As at 31.03.2023 | As at 31.03.2022 | As at 01.04.2021 |
|---|---|---|---|
| Equity as per Previous GAAP (Restated) | 21,445.38 | 16,355.19 | 16,022.28 |
| **Add: Adjustment** | | | |
| Lease Accounting | (80.39) | (74.39) | (67.54) |
| Present Value of Interest free loan | | | |
| Deferred Taxes | 19.23 | 17.94 | 17.00 |
| **Equity as per Ind AS** | **21,384.22** | **16,298.73** | **15,971.74** |

**ii Comprehensive Income Reconciliation**

| Particular | April'22 - March'23 | April'21 - March'22 |
|---|---|---|
| Net Profit as per Previous GAAP | **784.76** | **341.82** |
| **Add: Adjustment** | | |
| Lease Accounting | (6.00) | (6.85) |
| Present Value of Interest free loan | | |
| Deferred Taxes | 1.29 | 0.94 |
| **Net profit as per Ind AS** | **780.06** | **335.91** |
| Other Comprehensive Income as per Ind AS | - | - |
| **Total Comprehensive Income as per Ind AS** | **780.06** | **335.91** |

**iii Cash flow reconciliation**

| Particular | Amount as per Previous GAAP | Effect of transition to Ind AS | Amount as per Ind AS |
|---|---|---|---|
| Net cash generated from/(used in) operating activities | (3,571.37) | - | (3,571.37) |
| Net cash generated from/(used in) investing activities | (583.56) | - | (583.56) |
| Net cash generated from/(used in) financing activities | 4,135.09 | - | 4,135.09 |
| **Net increase/(decrease) in cash and cash equivalents** | (19.84) | - | (19.84) |
| Cash and cash equivalents as at April 1 | 39.14 | - | 39.14 |
| **Cash and cash equivalents as at March 31, 2022** | **19.30** | **-** | **19.30** |

**Notes to reconciliation of total equity and total comprehensive income:**

**(i) Financial instruments**

(i) Under previous IGAAP, current investments were stated at lower of cost and fair value. Under Ind AS (Ind AS 109 "Financial Instruments"), these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognized in profit and loss

(ii) Under previous IGAAP, non-current investments were stated at cost. Under Ind AS (Ind AS 109"Financial Instruments"), these financial assets have been classified as Fair Value through Other Comprehensive Income (FVTOCI) on the date of transition and fair value changes after the date of transition has been recognized in Other Comprehensive Income

(iii) Under previous IGAAP, some financial assets are carried at books value. Under Ind AS (Ind AS 109"Financial Instruments"), these financial assets have been classified as Amortized cost on the date of transition and are carried at amortized cost using EIR .

**(ii) Deferred taxes**

Deferred taxes includes defererd tax impact on financial instruments recognized as per Ind AS 109 "Financial Instruments"

**(iii) Other comprehensive Income**

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the statement of profit and loss and other comprehensive income include re-measurement gains or losses on defined benefit plans, fair value changes on equity instrument recognized as FVTOCI.
The concept of other comprehensive Income did not exist under the Previous GAAP.

**NOTES ON ACCOUNTS**

**39 Disclosures for leases under Ind AS 116 – "Leases".**

The Company has entered into short term lease (less than one year) and license agreements for taking warehouse space / office space on rental basis.

The specified disclosure in respect of these agreements is given below:

| Particular | For the Year ended March 31, 2023 | For the Year ended March 31, 2022 |
|---|---|---|
| **Recognized in Statement of Profit and Loss** | | |
| (i) Lease payments to Rathod Dineshbhai Kanjibhai, Ashok Kumar, NBHC, Jugal Kishore Aggarwal and Origo Commodities India Ltd(Godown Space) | 16.18 | 17.86 |
| (ii) Lease payments to Deepak Gupta,Anuradha Gupta, Jovraj Singh Slathia,Romesh Kumar, Dushyant Sharma, Shivani Sharma, Pushpa Devi,NBHC, Sonika Gupta, Ramesh Kumar, Sarthak Khajuria and Airport Shop (Store Space) | 9.33 | 32.02 |
| (iii) Lease payments to Rohit Gupta(Factory Space) | 12.00 | 36.00 |
| (iv) Lease payments to Arvind Valia (Office Space) | 11.15 | 10.62 |
| (v) Lease payments to Yadhivir Singh, Siddheshwar Khajuria, Palvee Raina and Puneet Kour (Guest House Space) | 1.98 | 5.12 |
| (vi) Lease payments to Radha Rani (Store Space) | 12.00 | 3.60 |
| (vii) Lease payments to Jugal Kishore (Godown Space) | 3.24 | 53.70 |
| (viii) Lease payments to INA Dhingra (Office Space) | 1.24 | - |
| (ix) Lease payments to satyanarayan upadhaya, Arvind Valia, Jugal Kishore Aggarwal (Office Space) | 3.86 | 2.60 |
| (x) Lease payments to Satish Singhal and Rohit Gupta (Godown Space) | 5.40 | 4.20 |
| (xi) Lease payments to Raiyaz Ahmed, Mohammad Saad Sofi, Bareek Ahmed Sofi (Srinagar Store space) | - | 5.47 |
| (xii) Lease payments to Anita Abrol, Rajni Abrol, Rajni Gupta (Channi Store Space) | - | 5.32 |
| (xiii) Lease payments to Kuldeep Singh (Pargwal Office Space) | - | 0.06 |
| (xiv) Lease payments to Romesh Lal, Santosh Sharma and Subhash Kumar (Office Space) | - | 0.23 |
| (xv) Lease payments to Murad Ahmed (Guest House Space) | 1.00 | 0.80 |

Note: (i) The Company has given refundable, interest free security deposits under the agreement.

**40 Raw material consumed**

| Nature of Transaction | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Imported raw material | - | - |
| % of imported raw material | 0% | 0% |
| indigenous raw material | 67,497.42 | 52,087.57 |
| % of indigenous raw material | 100% | 100% |

**41 Disclosure on significant ratios**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 | % Change* |
|---|---|---|---|
| Current Ratio | 1.80 | 1.65 | 9% |
| Debt-Equity Ratio, | 0.57 | 0.62 | -7% |
| Debt Service Coverage Ratio | 1.51 | 1.52 | -1% |
| Return on Equity Ratio | 0.04 | 0.04 | -3% |
| Inventory turnover ratio | 2.47 | 2.05 | 20% |
| Trade Receivables turnover ratio | 3.91 | 2.77 | 41% |
| Trade payables turnover ratio | 22.95 | 6.86 | 234% |
| Net capital turnover ratio | 2.87 | 3.12 | -8% |
| Net profit ratio | 0.01 | 0.01 | 12% |
| Return on Investment | - | - | 0% |
| Return on Capital employed | 0.02 | 0.01 | 9% |

Reason for change in ratio: The company revenue has sugnificantly reduced during the current year due to global demand/supply issues. As a result of these there is a significant changes in ratio.

**Methodology:**

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ration = Total Debt / (Total Debt + Equity)
3. Debt Service Coverage Ratio = EBITDA / Finance Cost
4. Return on Equity Ratio = Profit After Tax / Total Equity
5. Inventory Turnover Ratio = Purchase / Inventory
6. Trade Receivable Turnover Ratio = Revenue from Operations / Trade Receivable
7. Trade Payable Turnover Ratio = Purchase / Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Revenue from Operations
10. Return on Investment = Net income on investment / Cost of Equity Investment
11. Return on Capital Employed = Profit After tax / (Total Equity + Total Debt)

**42 Security Details**

| Short Term Borrowings | 2023 | 2022 | 2021 |
|---|---|---|---|
| J&K Bank Cash Credit Facility ( Sanction Amount Rs. 10500 Lacs) @ 8% p.a. (MCLR +@0.70% ) secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book debtst of the company | 10,895.63 | 10,108.59 | 9,996.67 |
| J&K Bank Loan ( Sanction Amount Rs. 1867 Lacs) @ 1 Year MCLR + 150 bsp secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book debtst of the company | 1,020.01 | 1,459.95 | 1,867.00 |
| J&K Bank Loan ( Sanction Amount Rs. 994.89 Lacs) @ 1 Year MCLR + 150 bsp secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book debtst of the company | 933.78 | 933.78 | - |
| J&K Bank Cash Credit Facility ( Sanction Amount Rs. 10500 Crores) @ 11.30% p.a. (MCLR +@4% ) secured Exclusive charge in favour of the Bank by way of hypothecation of stock and book debtst of the company | 10,089.62 | 10,170.51 | 10,463.10 |
| Indian Bank OD facility ( Sanction Amount Rs. 25 Crores) @ 8.35% p.a. (Repo rate +@3.45% ) secured Exclusive charge in favour of the Bank by way of hypothecation of the all the current | 2,366.79 | - | - |

**43 Other Notes**

(i) In the opinion of the Board of Directors and Management, all the assets other than, Property, Plant and Equipment, Intangible assets and non-current investments have a value on realisation in the ordinary course of business which is at least equal to the amount at which they are stated.

(ii) Figures for the previous year have been re-grouped/ rearranged/ restated wherever necessary to make them comparable with those of the current year.

(iii) The Company does not have any immovable property whose title deed is not held in name of the company.

(iv) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(v) The company have borrowings from the bank or financial institutions and company is regular in submitting monthly returns or statement of current assets to be filed with such bank/financial institution.

(vi) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(vii) The company has not done any transactions with companies struck off under section 248 of the companies Act 2013 or section 560 of companies Act 1956.

(viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(x) Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xi) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(xii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(xiii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**As per our report of even date**
**For KRA & Co.**
**Chartered Accountants**
**Firm Regd. No.020266N**

**Gunjan Arora**
**(Partner)**
**M.No. 529042**
**UDIN: 23529042BGUGUT1848**
**Place: New Delhi**
**Dated: 30th May 2023**

**For and on behalf of the Board of Directors**
**SARVESHWAR FOODS LIMITED**

| Harbans Lal | Anil Sharma | Mohit Garg |
|---|---|---|
| Director | Managing Director | CFO |
| DIN:08571117 | DIN:07417538 | PAN: BOEPG0761F |

**Sadhvi Sharma**
**Company Secretary**
**PAN: DTPPS6287G**

## *360 DEGREE GOOD KARMA*

**At Sarveshwar, the Himalayas are at the centre of our philosophy and our work. The tenets of karma and a satvic lifestyle drive all our efforts.**

**The concept of karma says that all our actions have their consequences — what goes around comes around.When we mean well and do good, we are rewarded with happiness, peace and contentment.**

**And so, we try our best to be conscious of our thoughts and actions towards everyone we connect with — our farmers, employees, consumers, guests, and their families.This is our philosophy of 360° good karma — the best intentions in every direction.**






# SARVESHWAR FOODS LIMITED

## THE PRIDE OF JAMMU & KASHMIR

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