



**14<sup>TH</sup> ANNUAL REPORT**  
**SARVESHWAR FOODS LIMITED**

## COMPANY INFORMATION

SARVESHWAR FOODS LIMITED

CIN: L15312JK2004PLC002444

Registered Office: Sarveshwar House,  
Below Gummat, Jammu-J&K (180001)

Email Id: investorrelations@sarveshwarrice.com

Website: www.sarveshwarrice.com

### BOARD OF DIRECTORS

- |    |                         |   |                      |
|----|-------------------------|---|----------------------|
| 1. | Mr. Suraj Parkash Gupta | - | Honorary Chairman    |
| 2. | Mr. Rohit Gupta         | - | Managing Director    |
| 3. | Mr. Anil Kumar          | - | Executive Director   |
| 4. | Dr. Gayatri Tandon      | - | Executive Director   |
| 5. | Mr. Thyagarajan Kumaran | - | Independent Director |
| 6. | Dr. Tej Partap          | - | Independent Director |
| 7. | Mr. Jagdish Lal Sharma  | - | Independent Director |
| 8. | Mr. Adarsh Kumar Gupta  | - | Independent Director |

### KEY MANAGERIAL PERSONNEL

- |    |                   |   |  |
|----|-------------------|---|--|
| 1. | CS Prabhdeep Kour | - | Company Secretary & Compliance Officer |
| 2. | CA Deepak Singhvi | - | Chief Financial Officer                |

### STATUTORY AUDITORS

K R A & Co,

Chartered Accountants

Office: H-1/208, Garg Tower, Netaji Subhash Place,  
Pitampura, New Delhi-110034

Email Id: rajat@kra.co.in

FRN No: 020266N

### PLANTS

1. Unit I : Village Seora, Baba Fareed Nagar,  
P.O Dharap, Bishnah Kunjwani Road, Jammu 181132.
2. Unit II : Lane No.4, Phase II, SIDCO Industrial Complex,  
Bari Brahmana, Samba 181133.

### BANKERS

1. The Jammu & Kashmir Bank Limited
2. Allahabad Bank
3. Oriental Bank of Commerce
4. State Bank of India



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## MANAGING DIRECTOR'S SPEECH

*“The Company's financial performance during the year was strong with a consolidated EBIDTA of INR 44 Cr and a Net Profit of INR 16.52 Cr, which was an increase of around 13.33% and 27% respectively over the previous year.”*



Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company in 2017-18. The fiscal year gone has been an eventful year. The year under review had a decent volume and profit growth given the macro-environment headwinds. We were able to achieve this as a result of an effective category choice making framework and the strategic building blocks we have put in place - strengthening the core, creating the portfolio for the future, managing costs, and investing in people and process capability ahead of the growth curve.

After having been successfully listed on the National Stock Exchange – NSE Emerge, we are striving towards increasing the presence of Sarveshwar in domestic and international markets.

Today, we are evolving swiftly from being an established branded rice company to an emerging global Food Company, with new strategic advancements and product developments underway.

Maintaining leadership in our home market of Jammu and Kashmir, we have further expanded our domestic outreach by venturing into new states such as Delhi NCR, Andhra Pradesh, Maharashtra, Gujarat and cities such as Chennai, etc.

We have approached these initiatives with great enthusiasm and as a consequence

we have had a very busy year. Your continued trust, encouragement and support give us energy, enthusiasm, confidence and motivation to strive for betterment. I believe, these will continue to hold us in good stead in the long run.

Internationally, we are seeing an increased demand for branded pure Basmati products and are striving to cement ourselves in premium and remunerative international markets.

Ever since our inception, our business practices have always been underlined by our consciousness towards the society and the environment. This philosophy is underlined by our latest initiative into the Organic Products sector.

As an organisation, we have forged stronger ties with the farmer community. When others focussed on rigorous cost-control, we spent on empowering the farmers with modern agriculture practices. We continued to focus on strengthening our partnership with the farmers by undertaking welfare initiatives and to improve their economic well-being. We invested in state-of-the-art manufacturing and large scale warehousing facilities that are our assets today and our biggest strength for tomorrow. This has helped Sarveshwar Foods Limited to maintain superior farm output and deliver consistent quality.





We diversified our business by increasing the share of branded, organic, and value added products. This has been supported by widening of distribution reach across India as well as globally.

Brand “Sarveshwar”, the backbone of our business, has served to jumpstart the Organic Products initiative under the brand name “Nimbark”. Within our organic initiative, we have a broad range of products ranging from rice, various cereals and pulses through to superfoods such as Quinoa, flax seeds, Chia Seeda, etc. Our deep rooted efforts towards increasing and facilitating organic produce has borne fruits as we have converted over 22,000 Acres of land from conventional farming to organic farming practices.

For Nimbark, we are adopting various avenues for selling our products through retailing, distribution into modern and general trade and also through online channels. The brand and products are well accepted in the existing markets and the first three stores are equally well accepted by our valued customers with their response being quite encouraging.

According to a report by the World of Organic Agriculture, 2018, India is home to 30% of the total organic producers in the world, but accounts for just 2.59% (1.5 million hectares) of the total organic cultivation area of 57.8 million hectares. Therefore, there is boundless scope for growth within the Organic Products vertical in the future from which we can expect to

benefit in the long term.

Your Company's financial statements pose encouraging signs of the times to come ahead.

On a consolidated basis, the total revenue from operations has grown by 15.31% to INR 484 Cr from INR 420 Cr in FY17. EBITDA has grown by 13.90% to ~ INR 44.5 Cr from INR 39 Cr in FY17. Profit before tax has increased year on year by ~ 23.38% to INR 21.74 Cr from INR 17.62 Cr. Profit after taxes have grown considerably by ~ 29% from INR 12.81 Cr in FY17 to INR 16.52 Cr in FY18.

Extremely sanguine about the prospects of the company going forward, we, at Sarveshwar, plan to be at the helm of the exciting and fruitful times to come ahead and hope that you would join us in this journey!

We take this opportunity to express our gratitude & appreciation to all our shareholders, customers, suppliers, partners and employees for their continued trust and support. We look forward to the coming years as the momentum is expected to carry on with increasing penetration of our brands; Sarveshwar and Nimbark are going to serve to the larger base of our customers across the world as we move to establish ourselves globally as an organic focused and value-added food processing organisation.





# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OVERVIEW OF ECONOMY

### GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performances in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest for seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and the government's support for the right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook. (Source: IMF and OECD).

### INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetization. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of the fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. The Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020. (Source: OECD and Economic Times)

Fiscal deficit for 2017-18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP, which is approximately the same as 2016-17, in spite of transformation in the economy. In addition to initiatives like 'Make in India', 'Housing for All', 'Digital India', the government has also introduced 'Sagar Mala' and 'Bharat Mala'

initiatives, which is expected to boost the domestic growth of the country. (Source: IBEF and Trading Economics)

## OVERVIEW OF INDUSTRY

### Global Basmati Rice Market

As per Transparency Market Research, 2017, China and India are the world's largest rice producers. Though India has the largest area that produces rice, China's production yield is greater in comparison. This is due to rice production areas in China being properly irrigated, whereas in India, only half of its rice production areas receive irrigation.

After China and India, the next largest rice producers are Indonesia, Bangladesh, Vietnam, Myanmar, and Thailand. These seven countries have an average production of more than 30 Mn tonnes of paddy and together account for more than 80% of the world production. Over 90 per cent of the global rice output and consumption is centered in Asia. The world's largest rice producers, China and India, are also the world's largest rice consumers.

Basmati, a variety of rice that symbolizes luxury, is a premium rice product that commands top dollar. Basmati rice has been enjoying a premium position in the global marketplace. The rising demand for basmati rice in Asian countries is also a result of it being the staple food of most of its residents who have been supporting the global basmati rice market significantly. With inventory prices going down steadily, this market is likely to keep a high pace of growth over the next few years.

The worldwide market for basmati rice is anticipated to present an opportunity worth USD 10.51 Bn by 2017. The market is further expected to rise to USD 17.74 Bn by 2022, proliferating at a robust CAGR of 11.0% during the period from 2017 to 2022. The export demand for basmati rice is projected to improve further in the near future, adding considerably to the market's growth.

With a CAGR of 12.90% between 2017 and 2022, the raw basmati rice segment is anticipated to remain on the top over the next few years. Based on the species, basmati rice



is available in two categories: white and brown. White basmati rice is preferred more amongst the masses. However, due to the rising awareness about its health benefits, brown basmati rice is anticipated to witness a higher growth rate in the years to come.

## IMPORTERS OF BASMATI RICE

### Middle East

Middle East or Gulf Cooperation Council (GCC) is one of the largest basmati markets in the world. GCC has been the major importer of Indian basmati (65% of the total basmati exports by volume in FY17). The GCC market is expected to see a stable consumption growth of basmati rice given their cuisine and culinary preferences for basmati rice.

### Europe/USA/Rest of Asia

Changing demographics can be a growth driver. While the Middle East market offers steady demand growth, other basmati importing regions (like Europe/USA/Rest of Asia) could be the additional growth drivers for the industry. The low penetration of basmati consumption despite a large Asian population in these countries leaves significant room for growth.

### Others

The worldwide basmati rice market is also classified on the basis of geography. Asia Pacific, excluding Japan (APEJ), North America, Europe, the Middle East and Africa (MEA), Japan, and Latin America, have surfaced as the main regional segments of this market.

## Indian Basmati Rice Market

India is the second largest rice producer in the world after China, with 21% of the global production share. The rice production has increased 3.5 times in the last 60 years. The country's productivity is higher than Thailand and Pakistan at 2.2tons/ha. The major rice producing states in India are West Bengal, Uttar Pradesh, Andhra Pradesh, Punjab, Tamil Nadu, Odisha, Bihar and Chhattisgarh. These

large rice producing states hold about 72% of the total rice-growing area in India and contribute more than 75% to the total rice production in the country. India has been the top exporter in global rice trade, accounting for 25% of the export in the last four years. Indian rice caters to the Middle East and Africa for non-Basmati, and the EU and US for the Basmati variety.

Currently, the domestic basmati rice market is estimated at ~INR 13,000 Crore. The share of basmati as a percentage of total rice consumption in India is extremely low at ~2% as compared to the Middle East (38%). Basmati is a premium category of rice having distinct aroma, taste and texture. The rise in disposable income and premiumization coupled with increasing penetration of basmati is expected to drive the consumption of the product in India.

As per industry estimations, India produced approximately 4.25 Mn metric tonnes of basmati rice, which accounts for nearly 75% of the total global production. Two-thirds of the basmati rice produced in India is exported. Iran and Saudi Arabia are the top Indian basmati rice importers along with UK and US.

Another key observation in domestic consumption is the shift of consumers from unbranded to branded products. The share of branded basmati as percentage of total basmati consumption in India has risen from 17% in FY12 to 27% in FY17. We expect the trend to continue on the back of rising affluence.

## Hybrid Varieties of Basmati

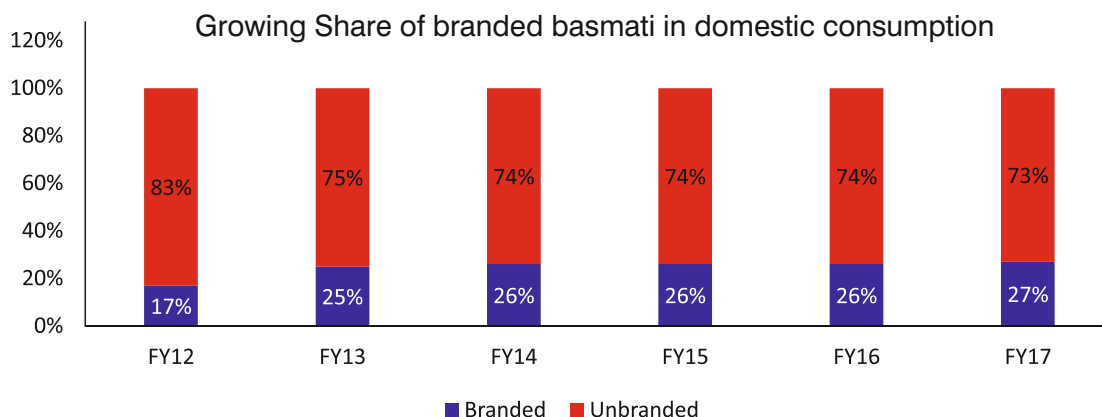
During the last two decades, evolved varieties of Basmati rice have been adopted by the industry, especially PUSA 1121, which has led to a significant improvement in yield and hence the overall production of Basmati rice in the country. Almost a decade after the development of PUSA-1121, another hybrid variety – PUSA-1509 was developed. This variety promised better yield, lower input requirements and higher disease resistance. However, the market acceptance for this variety remained weak as it was unable to garner much recognition in the export market.



## Constraints in the Basmati Industry

Basmati production this year has been impacted due to farmers failing in getting the right price for their produce in the last two years. Lower production, low carry-forward stocks and growing demand have led to an increase in the paddy prices to the extent of 25% to 30%. The growth in business has come from increased shares of branded, organic and private-label businesses.

## Branded Basmati in Domestic Consumption



Source: Indian Basmati Rice Export Market

India Ratings and Research expects the credit profile of rice exporters to improve over the near-to-medium term on the back of increased market share, higher realisations and improved liquidity. Significant production shortfall in parts of South Asia is likely to result in a substantial gain in the market share by various Indian exporters. Indian rice exports to account over 29% of the global rice.

Subdued yields across major South and East Asian rice producers should result in higher realisations and marginal improvements in Indian export volumes. Weak output levels in Vietnam and other parts of South Asia have resulted in a sharp spike in international prices,

primarily on the back of increased demand from exporters to deliver forward export orders.

Despite the recovery in demand from Iran and the US, the total growth in Basmati export volumes to remain range bound between 3% and 5%. On the other hand, higher realisations are expected to result in a significant growth in export value, leading to a marked increase in top line for majority of the Basmati exporters. Basmati players are also likely to report significant inventory gains particularly from aged products. Both these events are likely to be credit positives for players in the Basmati sector.

Particulars	FY17	FY18	% Variations
Quantity (mt)	3.25	3.27	1
Value (USD mn)	2,559	3,307	29
Unit Value (USD/tonne)	787	1,010	28

## ORGANIC FARMING MARKET

“Alternative methods of farming, such as organic farming, introduced by the Indian government in several states is the right strategy to tackle food insecurity, improving nutrition and alleviating poverty in the country” – Gilbert F Houngbo, President – International Fund for Agricultural development (IFAD).

As per 'The Better India', 2018, India's progress in the organic sector has been remarkable. In the 1990s, India's sectors were limited to the export of tea to European markets. But now, India is emerging as a key player in the global arena, exporting over 300 products in 20 different categories to over 20 countries.





Additionally, India is the largest exporter of organic cotton and houses the largest number of organic producers in the world. Alongside the developments pertaining to the global markets, the domestic markets are growing at a rate higher than the global average and are expected to keep growing at a 25% CAGR through 2020.

As per the World of Organic Agriculture Report, 2018, India has one of the largest number of organic producers in the world. With ~835,000 certified organic producers, it is home to more than 30 per cent of the total number of organic producers (2.7 Mn) in the world. Australia is the country with the largest organic agricultural area (27.2 Mn hectares), followed by Argentina (3 Mn hectares) and China (2.3 Mn hectares). Almost half of the global organic agricultural land is in Oceania (27.3 Mn hectares), followed by Europe (23 percent; 13.5 Mn hectares), and Latin America (12 percent; 7.1 Mn hectares).

However, when it comes to the area under certified organic cultivation, India contributes only 2.59 per cent (1.5 Mn hectares) of the total area (57.8 Mn hectares). With numerous organisations and firms backing organic farming more than ever, India ought to see a rise in the organic cultivation area. With entrepreneurs and startups spreading the impact of organic farming to common households everywhere, organic farming is sure to see an exponential growth from here on.

### Encouragement towards organic farming

Organic farming by Farmer Producer Organisations (FPOs) and Village Producers Organisations (VPOs) in large clusters, preferably of 1,000 hectares each, will be promoted. Women's Self Help Groups (SHGs) will also be encouraged to take up organic agriculture in clusters under the National Rural Livelihood Programme.

There has been an increasing emphasis on organic farming in India and the Union Budget 2018 gives a big push towards organic farming. With vast areas of farming land laying vacant in India, US business owners are interested to purchase these lands in order to grow organic produce. They recognize the potential to feed the growing middle class of India, without causing too much damage to the environment. Also, many farmers who cannot afford costly agricultural inputs, are turning to organic farming because of lower costs and higher margins. The benefits of Organic farming are as follows:







	<b>Soil fertility</b>	<ul style="list-style-type: none"> <li>▶ Organic farmers need to protect the long-term fertility of soils by maintaining organic matter levels, encouraging soil biological activity and careful mechanical intervention.</li> </ul>
	<b>Plant nutrient uptake</b>	<ul style="list-style-type: none"> <li>▶ They need to provide crop nutrients indirectly using relatively insoluble nutrient sources, which are made available to the plant by the action of soil micro-organisms.</li> </ul>
	<b>Bio-fertilizer</b>	<ul style="list-style-type: none"> <li>▶ Organic farmers are prohibited from using most synthetic fertilizers as well as sewage sludge on their fields.</li> <li>▶ They need to ensure biological nitrogen fixation, as well as effective recycling of organic nutrients including crop residues and livestock manures.</li> </ul>
	<b>Integrated Pest Management</b>	<ul style="list-style-type: none"> <li>▶ Organic food must be grown without the use of persistent pesticides and must adhere to NOP/NPOP standards of IPM for pest and weed management like mechanical or physical methods and non-synthetic controls.</li> </ul>
	<b>GMO Free</b>	<ul style="list-style-type: none"> <li>▶ GMOs are prohibited in the production and processing organic foods.</li> </ul>
	<b>Integrated livestock farming</b>	<ul style="list-style-type: none"> <li>▶ Organic farmers cannot use antibiotics. The animals that receive antibiotic treatment lose their organic certification.</li> <li>▶ Organic farmers accommodate the natural behavior of their livestock and meet health and wellness requirements, including year-round access to the outdoors, space for exercise, clean and dry bedding, clean water, shelter and direct sunlight.</li> </ul>
	<b>Biodiversity conservation</b>	<ul style="list-style-type: none"> <li>▶ Organic farmers must pay careful attention to the impact of the farming system on the wider environment and the conservation of wildlife and natural habitats.</li> </ul>

As per 'Business Standard', 2017, export of organically made products, both food and non-food, is likely to grow threefolds in the four years to 2020, following the government's relaxation on quota limits. According to the Agricultural & Processed Food Products Export Development Authority (Apeda), Indian farmers produced around 1.35 million tonnes (mt) of certified organic products in 2015-16, which included all varieties of food products namely sugarcane. Of this, export was 263,687 tonnes, worth USD 298 Mn (INR 1,900 crore).

While export of organic wheat, non-basmati rice, edible oils and sugar have been exempted from all annual quantitative ceilings with immediate effect, those on pulses and lentils has been increased from 10,000 tonnes to 50,000 tonnes.

Farmer export is largely to Europe, Canada and West Asia. Oilseeds were half of India's overall organic export, followed by processed food products at 25 per cent.

## OPERATIONS OVERVIEW

### PROFIT AND LOSS SUMMARY

- The Revenue of the Company increased to INR 48,418 lakhs, as against INR 41,989 lakhs in the previous year, up by 15.31%
- The operating EBITDA of the Company increased to INR 4,449 lakhs, as against INR 3,906 lakhs in the previous year, up by 13.90%
- The Profit before tax for the Company increased to INR 2,174 lakhs, as against INR 1,762 lakhs in the previous year, up by 23%
- The Profit After Tax (PAT) increases to INR 1,653 lakhs, as against INR 1,281 lakhs in the previous year, up by 29%

Going forward, the Company will continue to deepen its presence in India and advanced markets, and establish an access to new high-potential global markets.

### Future Outlook

Sarveshwar Foods Ltd. is taking all necessary avenues in order to match up the evolving



consumer trends and emerge as a Global Food Company, with a focus on basmati rice, other specialty products, organic and value added products. In a bid to expand its portfolio and create synergistic businesses, the company has leveraged its existing strength of brands and distribution. The Company has segregated its business into two verticals and believes that it will continue to keep them focused on the right track to generate sustainable and value accretive growth. Going forward, the Company will continue to widen its footprint in India and the advanced markets while also establishing an access in new high potential markets. The Company is making necessary efforts to boost its product portfolio with the successful launch of value-added organic products and improve its margins by strengthening its operational efficiencies.

### **Risk Management**

A corporate is exposed to multiple risks owing to various business transactions it undertakes. The risks are classified broadly into two categories – external and internal risks. External risks can be attributed to the various macroeconomic risks faced by the Company like the slowdown of economic activity, unfavourable exchange rate fluctuations, a change in the regulatory framework, as well as climatic risks. The internal risks comprise of operational hazards, raw material uncertainty, human capital risks, and financial risks.

The Company has a strong risk management model in place, which identifies the key external and internal risks associated with the Company. After assessing their impact on Sarveshwar Foods, mitigation measures are evaluated and suitable changes are made, keeping the evolving business scenarios in mind.

### **Internal Audit Control System**

The Company has a well-established system of internal controls and procedures, which

commensurate with the size and nature of its operations. A regular Internal Audit of operations, establishments and stockyards are conducted by leading internal audit firms, in order to ensure that the set processes are properly adhered to.

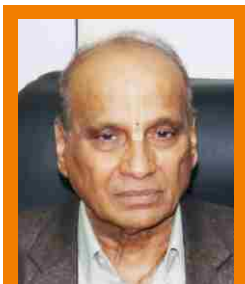
The Audit Committee reviews the reports of the internal auditors and monitors the effectiveness and operational efficiency of these internal control systems. The Audit Committee also gives valuable suggestions for the improvement of the Company's business processes, systems, and internal controls. The annual internal audit plans are prepared by the internal auditors in consultation with the Audit Committee. The Company also is in the process of implementing the world's leading ERP system - SAP - throughout the organisation, which focuses on the approach towards automating the internal control environment.

### **Cautionary Statement**

This document contains statements about expected future events, as well as the financial and operating results of Sarveshwar Foods Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. They face the risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause the assumptions and actual future results or events to differ from those expressed. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Sarveshwar Foods Limited's Annual Report, 2017-18.



## BOARD OF DIRECTORS



**Mr. Suraj Parkash Gupta**, aged 76 years, is the honorary Chairman of our Company. He has been the Chairman of our Company since February 1, 2016. He has cleared his higher secondary examination from Sri Ranbir Multiltral Higher Secondary School. He has more than forty (40) years of rich experience in the basmati rice industry. He has been instrumental in forming our Company and the source of inspiration behind our Company's goals and ideals.



**Mr. Rohit Gupta**, aged 47 years, is the Promoter and Managing Director of our Company. He has obtained his Bachelors of Commerce degree from University of Jammu. He has an extensive experience of more than two (2) decades in the basmati rice industry. Under the able guidance and directorship of Mr. Gupta, our Company was awarded the "Best Industry Award" from Mr. Omar Abdulla, the former Chief Minister of Jammu and Kashmir.



**Mr. Anil Kumar**, aged 40 years, is the Executive Director of our Company. He has cleared his intermediate (higher secondary) from K.V. Air Force Station, Sarsawa. He has over a decade of experience in purchase and sale of paddy and rice. He looks into the general management of our Company. Budgetary controls, maintaining employee relations and team building are few of the areas which can be attributed to his contribution to our Company.



**Dr. Gayatri Tandon**, aged 40 years, is the Executive Director of our Company. She has obtained her Ph.D in Mycology and Plant Pathology and her Masters in Mycology and Plant Pathology from Dr. Yashwant Singh Parmar University of Horticulture and Forestry, Solan, Himachal Pradesh and Bachelors of Science (Medical) from Himachal Pradesh University. She has more than ten (10) years of experience in organic farming and related sector. She has contributed to the development of organic farming projects, good agricultural practices for growth of promoting organic produce of our Company.



**Dr. Tej Partap**, aged 65 years, is an Independent Director of our Company. He has obtained his Ph.D in Cultivated Grain Chenopods of Himachal Pradesh, Distributions, Variations and Ethnobotany from Himachal Pradesh University. He has obtained his degree in Masters of Science (M.Sc.) from Himachal Pradesh University. He has more than thirty (30) years of experience in managing institutions, projects, programs, and strategic research in the field of mountain agriculture, livelihood issues and strategic options. His professional experience includes his services in ICIMOD for thirteen (13) years and as Vice Chancellor of Agriculture Universities of mountain States in India, for twelve (12) years.



**Mr. Thyagarajan Kumaran**, aged 61 years, is an Independent Director of our Company. He has obtained his degree in Masters and Bachelor of Arts from University of Madras. He is also holds a Certificate from Associate of the Indian Institute of Bankers. He has more than thirty (30) years of experience in the banking sector. He also has been an Independent Director of Shree Ambika Sugars Limited. Furthermore, he is working as a consultant to various companies in the areas of banking, credit and foreign exchange.



**Mr. Jagdish Lal Sharma**, aged 62 years, is an Independent Director of our Company. He has obtained his Bachelor of Arts and Bachelor of Law from the University of Jammu. He had been a practicing lawyer before joining and serving the J&K Police more than thirty (30) years.



**Mr. Adarsh Kumar Gupta**, aged about 67 years, is an Additional Director (Independent) of our Company. He has done Bachelor of Science from Jammu University. He is having more than 32 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.



## FINANCIAL HIGHLIGHTS

### BALANCE SHEET

(Rs. In Lacs)

Particulars	CONSOLIDATED			STAND ALONE		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' fund</b>						
Equity Share Capital	2,457	1,810	905	2,457	1,810	905
Preference Share Capital	2,200	2,200	-	-	-	-
Reserves & Surplus	8,981	2,987	2,623	8,191	2,789	2,552
<b>Net Worth</b>	<b>13,638</b>	<b>6,997</b>	<b>3,528</b>	<b>10,648</b>	<b>4,599</b>	<b>3,457</b>
Minority Interest	19	17	16	-	-	-
<b>Non Current Liabilities</b>						
Long Term Borrowings	102	360	3,021	-	-	-
Other Long Term Liabilities	-	200	94	10	111	38
Long Term Provisions	-	-	-	-	-	-
<b>Total Loans</b>	<b>102</b>	<b>560</b>	<b>3,115</b>	<b>10</b>	<b>111</b>	<b>38</b>
<b>Current Liabilities</b>						
Short term Borrowings	17,812	17,538	16,846	6,019	7,411	8,404
Trade Payables	9,669	6,270	3,256	2,387	3,065	2,258
Other Current Liabilities	710	935	683	205	238	137
Short Term Provisions	119	185	42	44	159	15
<b>Total Current Liabilities</b>	<b>28,310</b>	<b>24,928</b>	<b>20,827</b>	<b>8,655</b>	<b>10,873</b>	<b>10,814</b>
<b>Total Liabilities</b>	<b>42,069</b>	<b>32,502</b>	<b>27,486</b>	<b>19,313</b>	<b>15,583</b>	<b>14,309</b>
<b>ASSETS</b>						
<b>Fixed Assets</b>						
Tangible Assets	2,367	2,513	2,726	456	515	566
Intangible Assets	-	-	-	-	-	-
Capital Work In Progress	-	10	-	-	10	-
Non Current Investments	-	-	-	1,499	1,858	1,485
Deferred Tax Assets	33	30	23	11	17	14
Long Term Loan and Advances	-	-	-	-	-	-
Other Non Current Assets	-	820	-	-	-	-
<b>Total Non Current Assets</b>	<b>2,400</b>	<b>3,373</b>	<b>2,749</b>	<b>1,966</b>	<b>2,400</b>	<b>2,065</b>
<b>Current Assets</b>						
Inventories	27,989	22,371	15,906	12,312	9,191	8,200
Trade Receivables	9,753	6,596	8,538	3,219	3,920	3,856
Cash & cash equivalents	1,648	24	150	1,617	18	108
Short Term Loans & advances	-	-	-	-	-	-
Other Current Assets	279	138	143	199	54	80
<b>Total Current Assets</b>	<b>39,669</b>	<b>29,129</b>	<b>24,737</b>	<b>17,347</b>	<b>13,183</b>	<b>12,244</b>
<b>Total Assets</b>	<b>42,069</b>	<b>32,502</b>	<b>27,486</b>	<b>19,313</b>	<b>15,583</b>	<b>14,309</b>

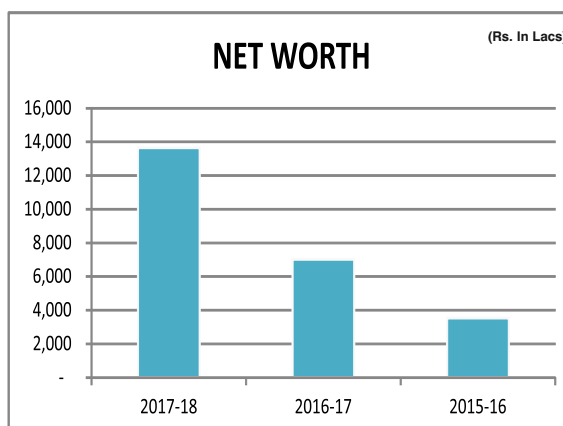
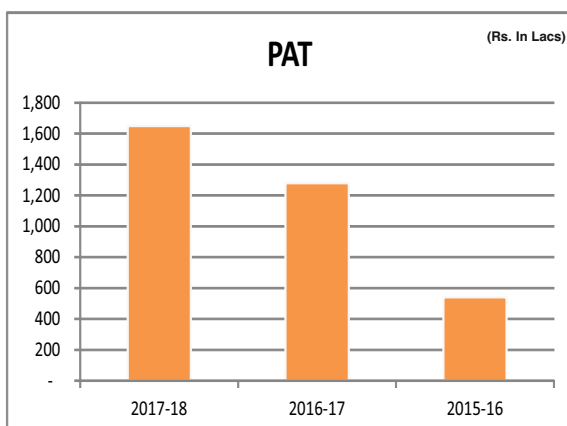
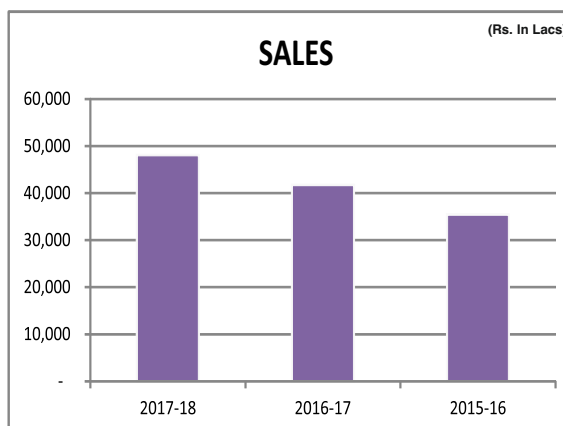
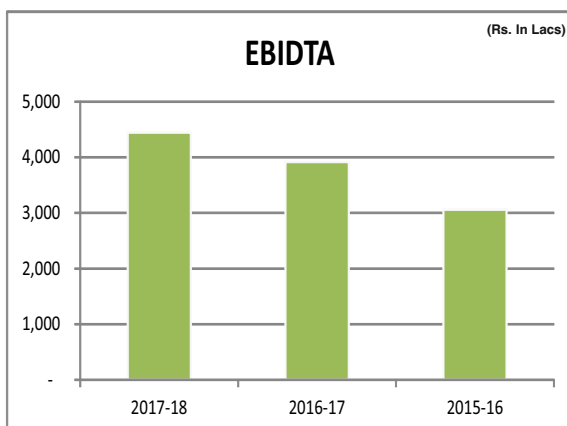


## PROFITABILITY STATEMENT

(Rs. In Lacs)

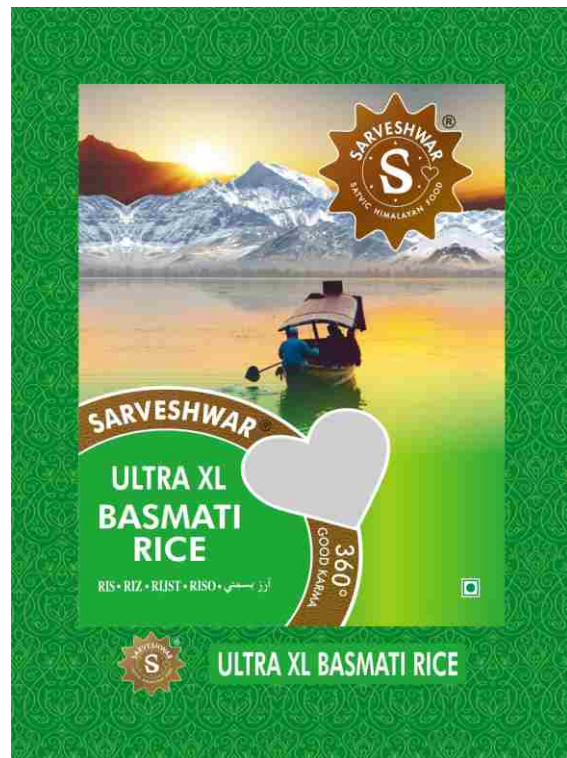
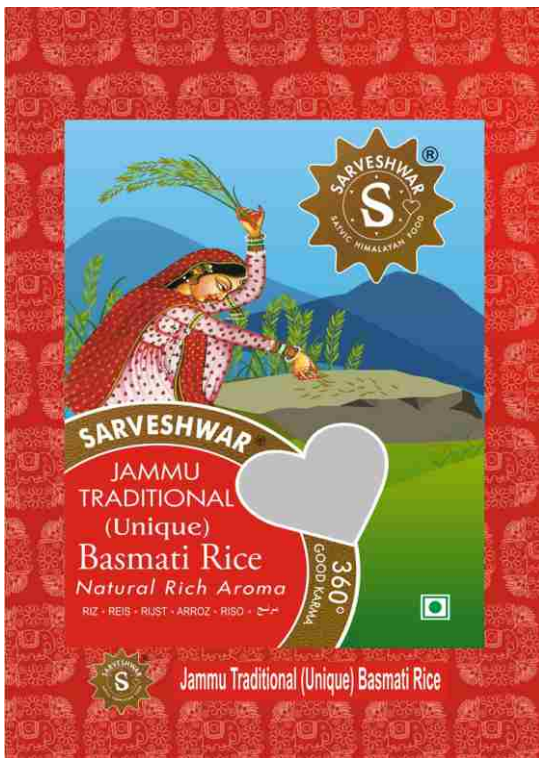


Particulars	CONSOLIDATED			STAND ALONE		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
<b>INCOME</b>						
Revenue from Operations	48,127	41,785	35,442	21,674	20,760	16,069
Other Income	290	204	77	126	31	35
<b>Total Income</b>	<b>48,418</b>	<b>41,989</b>	<b>35,519</b>	<b>21,800</b>	<b>20,791</b>	<b>16,104</b>
<b>EXPENDITURE</b>						
Cost of RM Consumed	20,844	24,211	16,165	13,271	10,562	6,896
Purchase of Traded Goods	21,992	18,549	4,101	10,996	7,909	901
Changes in Inventories	- 1,157	- 7,030	8,994	- 6,005	- 1,650	4,680
Employee Benefit Expenses	349	397	909	206	248	256
Finance Cost	2,023	1,873	2,044	706	819	858
Depreciation	253	271	325	91	91	104
Other Expenses	1,940	1,956	2,286	1,074	1,235	1,800
<b>Total Expenses</b>	<b>46,243</b>	<b>40,227</b>	<b>34,824</b>	<b>20,339</b>	<b>19,214</b>	<b>15,495</b>
<b>Profit before Tax</b>	<b>2,174</b>	<b>1,762</b>	<b>695</b>	<b>1,461</b>	<b>1,577</b>	<b>609</b>
Taxation	521	481	152	405	420	135
Profit After Tax	1,653	1,281	543	1,056	1,157	474
Less : Minority Interest	2	1	1	-	-	-
<b>Net Profit</b>	<b>1,651</b>	<b>1,280</b>	<b>542</b>	<b>1,056</b>	<b>1,157</b>	<b>474</b>





## OUR RICE VARIANTS



## OUR ORGANIC PRODUCTS







## PARTICIPATION IN INTERNATIONAL TRADE FAIR



## CORPORATE SOCIAL RESPONSIBILITY



At Sarveshwar Foods Limited, the CSR approach is strategic in nature and embedded in our business processes across the entire value chain of the company, with a strive to operate and conduct itself in an ethical manner. Various initiatives taken under CSR includes activities like spreading awareness about organic agriculture, farm input preparation, strengthening the farming community, women empowerment programs, training on various aspects of farming and related activities spread across many villages in states of Jammu and Kashmir, Himachal Pradesh, Rajasthan, Madhya Pradesh and Uttar Pradesh.

At Sarveshwar Foods Limited, we seek a relationship between business and society that does not treat success and social welfare as a Zero sum game. We follow a strategic approach to CSR rather than a responsive approach. Our initiatives involve Enhancing Livelihood of Farmers by motivating them to adopt Organic farming. Our initiatives are executed respecting the stakeholders expectations like conducting

awareness generation camps for the farmers. At the time of sowing farmers are trained for right and healthy seed selection, seed treatment and seed sowing. After sowing we aware farmers for on farm input preparation so that they can prepare compost at home, which brings down cost for their biofertilizers. They are given training on preparation of various composts like vermicompost, matka khad, and CPP units. After sowing we train them to identify various disease and pests attacking the crop. We train them to manage these diseases or pests with the help of biopesticides. We encourage soil building practices, such as crop rotation, inter cropping, organic fertilizers and minimum tillage are central to organic practices. These encourage soil fauna and flora, improving soil formation and structure and creating more stable systems in turns the nutrients are increased and the retentive abilities of the soil for the nutrients and water are enhanced, compensating for the non-use of mineral fertilizers.







# STATUTORY REPORTS



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **14<sup>th</sup> Annual General Meeting** of the members of **SARVESHWAR FOODS LIMITED (CIN:L15312JK2004PLC002444)** will be held on Tuesday, the **25<sup>th</sup> Day of September, 2018** at 03.00 PM at **Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir 180006, India** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> of March, 2018 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 31<sup>st</sup> March, 2018.
2. To appoint Director in place of **Mr. Anil Kumar (DIN: 07417538)**, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors and fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT M/s K R A & Co**, Chartered Accountants, New Delhi, having Firm Registration No. 020266N were appointed as Statutory Auditors for the period of 5 years in the 13<sup>th</sup> Annual General Meeting held as per the provision of Section 139 & other applicable provisions, if any, of Companies Act, 2013 subject to the ratification by the members at every Annual General Meeting held thereafter till 18<sup>th</sup> Annual General Meeting. The appointment of **M/s K R A & Co**, Chartered Accountants, New Delhi, having Firm Registration No. 020266N, who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office from the conclusion of the 14<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in 2019, on a remuneration as may be agreed upon by the Board of Directors be and is hereby ratified.”

### SPECIAL BUSINESS:

#### 4. RE-APPOINTMENT OF MR. ADARSH KUMAR GUPTA (DIN: 08135776) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the consent of the members of the company be and is hereby given to the appointment of **Mr. Adarsh Kumar Gupta**, appointed as an Additional Director with effect from 26<sup>th</sup> of May, 2018 and holds office upto the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as an Independent Director and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Independent Director to hold office for five consecutive years for a term from 26<sup>th</sup> of May, 2018 upto 25<sup>th</sup> of May, 2023.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Adarsh Kumar Gupta** be paid such fees as the Company may decide from time to time and within the limits prescribed or may be prescribed from time to time.”

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

**ROHIT GUPTA**  
MANAGING DIRECTOR  
DIN: 02715232

Place : Jammu  
Date : 24/08/2018

## **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.**

A 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, authorising 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 Register of Members and Share Transfer Book of the Company shall remain closed from Tuesday, September 18<sup>th</sup>, 2018 to Tuesday, September 25<sup>th</sup>, 2018 (both days inclusive).

6) The practice of distributing copies of Annual Reports at the Annual General Meeting has been

discontinued as a measure of economy.

7) All documents referred in the accompanying Notice are open for inspection at the Registered 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.

8) 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.

9) 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, 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059**, 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.

### **10) 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 14th Annual General Meeting (AGM) by electronic means and

the business may be transacted through e-voting Services provided by **National Securities Depository Limited (NSDL)**. The Company has entered into an arrangement with **National Securities Depository Limited (NSDL)** for facilitating e-voting for AGM.

The E-voting period for all items of business contained in this Notice shall commence from Saturday, 22<sup>nd</sup> September, 2018 (9.00 a.m. IST) and will end on Monday, 24<sup>th</sup> of September, 2018 (5.00 p.m. IST) During this period, Equity Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 17<sup>th</sup> of September, 2018 i.e. cut-off date, 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. 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 Company has appointed an Independent Professional (Practicing Chartered Accountant – M/s ATRUECFO & CONSULTANTS LLP) 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 Scrutinizer's report shall be placed on the website (i.e. [www.sarveshwarice.com](http://www.sarveshwarice.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 for shareholders voting electronically are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

*NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".*

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password (the initial password mentioned in the e-mail sent by NSDL to shareholders whose email addresses are registered with the company/depository participant(s) or mentioned in the postal ballot form) and verification code as displayed. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Sarveshwar Foods Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [arvind.goyal@atruecfo.com](mailto:arvind.goyal@atruecfo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

**EVEN (Remote e-voting Event Number)  
USER ID: PASSWORD/PIN**

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

II. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

*NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ Client ID).*

*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17<sup>th</sup> of September, 2018.

V. Any person, who acquires shares of the Company and become member of the Company

after dispatch of the notice and holding shares as of the cut-off date i.e. 17<sup>th</sup> of September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor@bigshareonline.com](mailto:investor@bigshareonline.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

VII. 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 remote e-voting as well as voting at the AGM through ballot paper.

VIII. CA Arvind Goyal, Practicing Chartered Accountant (Membership No. 089713) of M/s. ATRUECFO & CONSULTANTS LLP, Chartered Accountants has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the



Company i.e www.sarveshwarrice.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS:**

##### **ITEM NO: 4**

The Board of Directors of the Company, on 26<sup>th</sup> of May, 2018 on the recommendations of the Nomination and Remuneration Committee, approved the regularization of **Mr. Adarsh Kumar Gupta** as an Independent Director of the Company with effect from 26<sup>th</sup> of May, 2018 upto 25<sup>th</sup> of May, 2023 subject to approval of the Shareholders at the Annual General Meeting on sitting fees as approved by the Board.

**Mr. Adarsh Kumar Gupta**, aged about 67 years, has done Bachelor of Science from Jammu University. He is having more than 32 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.

**Mr. Adarsh Kumar Gupta** was appointed as an Additional Director of the company in the category of Non-Executive Independent Director w.e.f 26<sup>th</sup> of May, 2018. His appointment is proposed to be regularized at the ensuing Annual General Meeting of the company for a period of five consecutive years i.e upto 25<sup>th</sup> of May, 2023. Since, he was appointed as a Director w.e.f 26<sup>th</sup> of May, 2018, no board meeting was attended by him during 2017-18.

In the opinion of the Board, **Mr. Adarsh Kumar Gupta** fulfills the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the company and is independent from the management of the company.

**Mr. Adarsh Kumar Gupta** is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Independent Director.

The Company has also received the declaration from **Mr. Adarsh Kumar Gupta** that he meets the criteria of independence as prescribed under sub section (6) of section 149 of the Act. The copy of the letter for appointment of **Mr. Adarsh Kumar Gupta** as independent director of the company setting out the terms and conditions are available for inspection by members at the registered office of the company.

The Board considered that the appointment of **Mr. Adarsh Kumar Gupta** who is having vast exposure and experience in the field of the banking sector which would be of immense benefit to the company and it is desirable to avail his services as an independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of **Mr. Adarsh Kumar Gupta** as an Independent Director, for the approval by the shareholders of the company.

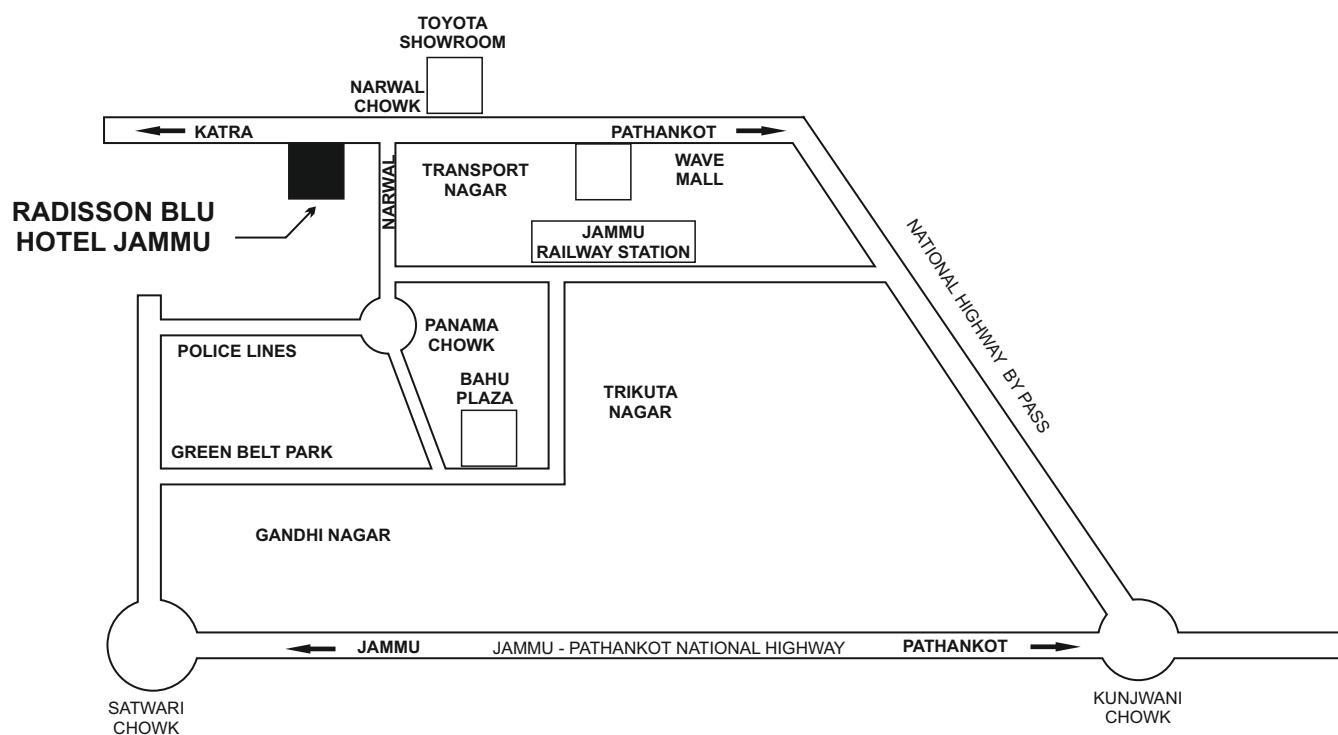
None of the Directors or Key Managerial Personnel (KMP) of the company or their relatives are interested in this resolution except **Mr. Adarsh Kumar Gupta**.

## ANNEXURE TO NOTICE

The more details about Mr. Anil Kumar seeking re-appointment at the forthcoming Annual General Meeting are as under:-

<b>Name of Director</b>	Mr. Anil Kumar
<b>Date of Birth</b>	10/07/1977
<b>Expertise in specific functional areas</b>	He has over a decade of experience in purchase and sale of paddy and rice. He looks into the general management of our Company. Budgetary controls, maintaining employee relations and team building are few of the areas which can be attributed to his contribution to our Company.
<b>No. of Equity Shares held in the company</b>	200 Equity Shares
<b>List of Directorship in other companies</b>	<ul style="list-style-type: none"> <li>• Sarveshwar Overseas Limited</li> <li>• Himalayan Bio Organic Foods Private Limited</li> </ul>
<b>Chairman/ Member of the Committee of Board of Directors of the company</b>	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Stakeholders Relationship Committee</li> <li>• Corporate Social Responsibility (CSR) Committee</li> <li>• Risk Management Committee</li> </ul>
<b>Chairman/ Member of the Committee of Board of Directors of other companies</b>	NIL

## ROUTE MAP OF AGM VENUE



## **DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting their **14<sup>th</sup> Annual Report** on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2018.

### **FINANCIAL RESULTS**

Your Company's financial performance for the year under review has been encouraging. Key aspects of Consolidated and Standalone Financial Performance of Sarveshwar Foods Limited for the current financial year 2017-18 along with the previous financial year 2016-17 are tabulated below:

(Rs. In Lakhs)

PARTICULARS	CONSOLIDATED		STANDALONE	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Revenue from operations	48127.02	41784.53	21673.70	20760.26
Other Income	290.49	204.41	126.46	30.79
<b>Total Income</b>	<b>48417.51</b>	<b>41988.93</b>	<b>21800.17</b>	<b>20791.06</b>
Expenses	43967.79	38062.75	19541.71	18304.31
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>4449.72</b>	<b>3905.72</b>	<b>2258.46</b>	<b>2486.75</b>
Depreciation and Amortization Expenses	253.02	270.57	90.69	90.65
Finance Costs	2022.54	1872.73	706.83	819.04
<b>Profit before Exceptional Items and Tax</b>	<b>2174.16</b>	<b>1762.42</b>	<b>1460.93</b>	<b>1577.06</b>
Exceptional Items	NIL	NIL	NIL	NIL
<b>Profit before Tax (PBT)</b>	<b>2174.16</b>	<b>1782.88</b>	<b>1460.93</b>	<b>1577.06</b>
Tax expense:				
Current Year	523.99	489.34	398.72	424.25
Deferred Tax Credit	(2.38)	(7.81)	6.68	(4.16)
<b>Profit After Tax (PAT)</b>	<b>1652.55</b>	<b>1280.89</b>	<b>1055.54</b>	<b>1156.97</b>
Minority Interest	1.84	1.24	NIL	NIL
<b>Profit after Taxes and Minority Interest</b>	<b>1650.72</b>	<b>1279.65</b>	<b>1055.54</b>	<b>1156.97</b>
<b>Appropriations</b>				
Transfer to General Reserve	52.78	NIL	52.78	NIL
Earning Per Share (Face Value of Rs. 10/- each)	8.98	7.08	5.74	6.39

## FINANCIAL REVIEW:

Pushed by strong shift in consumer preference towards branded basmati rice in the domestic market and export market, Sarveshwar Foods reported excellent numbers during the year 2017-18. The Company performed extremely well and the highlights of the performance on consolidated basis are as under:

- Company's Revenue from Operations is Rs 48418 Lacs (P.Y. Rs. 41989 Lacs).
- Company is able to maintain its strong Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and the same is increased by 13.90% to Rs 4449 Lacs (P.Y. Rs 3906 Lacs).
- Company's Profit before Tax increased by 23% to Rs 2174 Lacs (P.Y. Rs 1762 Lacs) and Profit after Tax (PAT) increased by 29% to Rs 1653 Lacs (P.Y. Rs 1281 Lacs).
- Net Worth of the Company increased by 94.70% to Rs. 13657 Lacs (P.Y. Rs. 7015 Lacs) mainly due to Share Premium.
- Earning per Equity Share increased to Rs. 8.98/- (P.Y. Rs 7.08)

## 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 31<sup>st</sup> March, 2018.

## TRANSFER OF RESERVES:

In view of the robust financial strength of the Company, a sum of Rs. 52.78 Lacs has been transferred to General Reserves out of the amount available for appropriations.

## SHARE CAPITAL:

There is no change in the Authorised Share Capital of the company during the financial year 2017-18 and the authorised share capital of the company remains same as on 31<sup>st</sup> March, 2018 i.e Rs. 3000 Lacs.

The paid up equity share capital of the Company as on March 31, 2018 is **Rs. 2456.72 Lacs**. The Company has no other type of securities except equity shares forming part of paid up capital.

## ISSUE AND ALLOTMENT OF EQUITY SHARES TO THE PUBLIC (INITIAL PUBLIC OFFERING) PURSUANT TO THE PROVISIONS OF SECTION 63(1)(C) OF THE COMPANIES ACT, 2013:

The Company has made allotment of **64,67,200 Equity Shares of Face Value of Rs.10/- each at premium of Rs. 75/- per share** pursuant to the Initial Public Offering (IPO) of the company which opened for subscription on March 05, 2018 and closed on March 07, 2018 for bearing distinctive numbers from 18100001 to 24567200 at a Price of **Rs. 85/- per share** (including a Share Premium of Rs. 75/- per share to the respective applicants in the various categories as approved in consultation with the Authorised Representative of the Stock Exchange i.e National Stock Exchange of India Limited on 13<sup>th</sup> of March, 2018.

## LISTING OF EQUITY SHARES OF SARVESHWAR FOODS LIMITED (SME IPO):

The Company has received listing approval from National Stock Exchange stating the equity shares of the company has been listed and admitted to dealings on the EMERGE SME platform of the Exchange w.e.f. March 15, 2018 as per the details given below:

S. No	Description of Securities	Symbol	No. of Securities	Mkt. Lot	Distinctive Numbers
1.	Equity shares of Rs. 10/- each	SARVESHWAR	24567200	1600	1 to 24567200

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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relates and till the date of this Report.

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

There is no change in the nature of business of the Company during the financial year 2017-18.

## SEGMENT REPORTING:

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



## SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS:

Your Company has three subsidiaries viz., **Sarveshwar Overseas Limited, Himalayan Bio Organic Foods Private Limited and Natural Global Foods DMCC**. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiaries during the financial year 2017-18. The Consolidated Financial Statements of your Company for the financial year 2017-18 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. 48418 Lacs in current year as compared to Rs. 41989 Lacs in the previous year. Consolidated Net Profit after Tax increase to Rs. 1652.56 Lacs as compared to Rs. 1280.89 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 Company Secretary 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.sarveshwarrice.com](http://www.sarveshwarrice.com) downloadable format.

## BOARD OF DIRECTORS:

As on March 31, 2018, your Company's Board has a strength of 6 (Six) Directors including 1 (One) Woman Director. The Chairman of the Board is

Honorary Chairman. The composition of the Board is as below:

Category	Number of Directors	% to Total Number of Directors
Executive Directors (Including Woman Director)	3	50%
Independent Non-Executive	3	50%

The detailed section on '**Board of Directors**' is given in the '**Report on Corporate Governance**' forming part of this Annual Report. During the year the Board of Directors of the Company in their meeting held on April 16, 2017, has appointed **Mr. Thyagarajan Kumaran (DIN: 07465316)** and **Dr. Tej Partap (DIN: 07818713)** as an Additional Director under the category Independent Non-Executive Director. The Appointment of **Mr. Thyagarajan Kumaran** and **Dr. Tej Partap** as an Independent Director was confirmed by the shareholders in the Extra Ordinary Meeting held on May 11, 2017.

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. The Independent Directors of your Company will hold office for 5 (Five) consecutive years from the date of their respective appointments. 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. Anil Kumar, Executive 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, 2018, 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. Thyagarajan Kumaran	Non-Executive Independent Director	Chairman
Mr. Jagdish Lal Sharma	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 Directors. 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. Rohit Gupta	Managing Director
02.	Mr. Anil Kumar	Executive Director
03.	Dr. Gayatri Tandon	Executive Director
04.	Mr. Deepak Singhvi	Chief Financial Officer
05.	Ms. Prabhdeep Kour	Company Secretary

**Ms. Prabhdeep Kour** has been appointed as Company Secretary and Compliance Officer of the company w.e.f. 01<sup>st</sup> June, 2017.

Resignation of **Ms. Deepali Mahajan** from the post of Company Secretary of the company w.e.f. 01<sup>st</sup> June, 2017.

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

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

S. No.	Name of Persons	Designation	Appointment/ Resignation	Date of Appointment/ Resignation
01.	Mr. Thyagarajan Kumaran	Independent Director	Appointment	11/05/2017
02.	Dr. Tej Partap	Independent Director	Appointment	11/05/2017
03.	Mr. Jagdish Lal Sharma	Independent Director	Appointment	10/07/2017
04.	Mr. Bansilal Sharma	Independent Director	Resignation	11/05/2017
05.	Mr. Uttar Kumar Padha	Independent Director	Resignation	11/05/2017

## 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:

- 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.
- 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.
- To formulate the criteria for evaluation of Independent Director and the Board.
- 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 determine 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.

#### **NUMBER OF MEETINGS OF THE BOARD:**

During the Financial Year 2017-18, 26 (Twenty Six) 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 2017-18, in the report of Corporate Governance 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 2017-18.

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

All the Independent Directors have given their Independency declaration as provided in subsection (6) of Section 149 of the Companies Act, 2013.

#### **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.

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

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 as a part of this Annual Report as ANNEXURE I.

#### **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 (Annexure III). 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.

## AUDITORS' REPORT:

The Auditors' Report does not contain any qualification, Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## 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 is given as Annexure-IV [Performance and financial position of each of the subsidiaries companies included in the consolidated financial statement. Whereas, Company does not have any Joint Venture and Associate Companies.

## 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 II).

## NAME OF THE COMPANIES, WHICH BECOME OR CEASED AS SUBSIDIARIES/JOINT VENTURES/ASSOCIATES COMPANIES DURING THE YEAR:

During the year, the Company has incorporated a foreign wholly owned subsidiary in Dubai namely "Natural Global Foods DMCC" which was incorporated on 07/12/2017 for strengthening its presence in UAE.

## 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 enclosed as Annexure V to this report. The point-wise comments are enumerated as follows.

- Delay in filing forms: Due to oversight, the Company failed to file some of the forms in prescribed time frame of Companies Act, 2013 and applicable fees has already been paid to Ministry of Corporate Affairs.

## 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 **M/s Darpan Gupta & Co., Chartered Accountants**, 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.

## ISSUE OF EMPLOYEE STOCK OPTIONS:

There was no ESOP as per Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 issued by company during the year.

## RISK MANAGEMENT POLICY:

Sarveshwar Foods Limited has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management. During the year, as per the requirements of Listing Agreement with the Stock Exchanges, the Company has constituted "Risk Management Committee" who 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.

## 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.

#### **CORPORATE GOVERNANCE CERTIFICATE:**

The report on Corporate Governance as Stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report.

A Certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 is annexed with the report.

#### **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 31<sup>st</sup> March, 2018.

#### **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 utilisation is being monitored at every Quarter, in order to achieve effective Conservation of Energy. The significant energy conservation during the year were:

##### **Power & Fuel Consumption:**

Particulars	Rs. In Lacs	
	2017-18	2016-17
<b>Through Electricity Purchases</b>		
Units	502520	921840
Total Amount (Rs.)	23.21	37.83
<b>Through Diesel</b>		
Total Amount (Rs.)	4.09	6.31

##### **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, Adaption and Innovation:**

During the years, the Company has taken significant steps in adoption of new technologies thus improving overall efficiency of Plants. Similar steps were taken in the current year as well by replacing the lower capacity machines with the New Higher capacity Machines. 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. The training programs have been organized to upgrade the workmen knowledge during procurement process and laboratory analysis.

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

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

Particulars	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Foreign Exchange earnings	3653.91	4916.83
Foreign Exchange outgo	22.33	15.40

**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. A number of programs that provide focused people attention are currently underway. 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)© 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:**

Pursuant to Section 205A and 205C of the Companies Act, 1956\* read with 124 and 125 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.

**LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to NSE where the Company's Shares are listed.

**ACKNOWLEDGEMENTS:**

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

*For and on behalf of Board of Directors*

Sd/-  
**ROHIT GUPTA**  
**MANAGING DIRECTOR**  
**DIN: 02715232**

Sd/-  
**ANIL KUMAR**  
**DIRECTOR**  
**DIN: 07417538**

**Date: 24/08/2018**  
**Place: Jammu**

## **ANNEXURE INDEX**

<b>ANNEXURE</b>	<b>CONTENT</b>
I.	Annual Return Extracts in MGT 9
II.	Report on Corporate Social Responsibility
III.	Form AOC 2 – Related Party Transactions disclosure
IV.	Details of subsidiaries and Joint Venture in Form AOC-1
V.	Form MR-3 Secretarial Audit Report

### **ANNEXURE-I**

#### **FORM NO. MGT-9** **EXTRACT OF ANNUAL RETURN**

**[As on the Financial Year Ended  
on 31<sup>st</sup> March, 2018]**

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

#### **I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : **L15312JK2004PLC002444**
- ii) Registration Date : **03-08-2004**
- iii) Name of the Company : **SARVESHWAR FOODS LIMITED**
- iv) Category/Sub-Category of the company : **Company Limited By Shares**
- v) Address of the registered office and contact details, : **Sarveshwar House, Below Gummat, Jammu,  
Jammu and Kashmir-180001, India  
Telephone No: 01923-220962**
- vi) Whether listed company : **Yes**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
**BIGSHARE SERVICES PRIVATE LIMITED  
1st Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri (East), Mumbai 400059  
Telephone: +91 22 6263 8200  
Facsimile: +91 22 6263 8299**

#### **II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
<b>1.</b>	<b>Rice</b>	<b>10612</b>	<b>100%</b>



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Himalayan Bio Organic Foods Private Limited	U15490JK2015PTC004325	Subsidiary	100.00	2(87)(ii)
2.	Sarveshwar Overseas Limited	U15122JK2015PLC004378	Subsidiary	99.00	2 (87) (ii)
3.	Natural Global Foods DMCC	DMCC-373231	Subsidiary	100.00	2 (87) (ii)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (i.e. 31 <sup>st</sup> March, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1). Indian									
a). Individual/HUF	NIL	1,80,99,800	1,80,99,800	99.999	1,80,99,800	NIL	1,80,99,800	73.675	(26.324)
b). Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c). State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other.....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total (A) (1):-</b>	NIL	1,80,99,800	1,80,99,800	99.999	1,80,99,800	NIL	1,80,99,800	73.675	(26.324)
(2) Foreign									
a) NRIs- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A)(2) :-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	NIL	1,80,99,800	1,80,99,800	99.999	1,80,99,800	NIL	1,80,99,800	73.675	(26.324)

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (i.e. 31 <sup>st</sup> March, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a). Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b). Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c). Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d). State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i). Others ( Alternative Investment Funds )	NIL	NIL	NIL	NIL	184000	NIL	184000	0.75	0.75
<b>Sub-Total (B)(1):-</b>	NIL	NIL	NIL	NIL	184000	NIL	184000	0.75	0.75
<b>2. Non-Institutions</b>									
a). Bodies Corp.									
i). Indian	NIL	NIL	NIL	NIL	1132636	NIL	1132636	4.610	4.610
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b). Individuals									
i). Individual shareholders holding nominal share capital upto ₹ 2 lacs.	NIL	200	200	0.001	3317278	NIL	3317278	13.503	13.502
ii). Individual shareholders holding nominal share capital in excess of ₹ 2 Lacs	NIL	NIL	NIL	NIL	1092800	NIL	1092800	4.448	4.448
c). Others									
i). Non-resident Indians (Repat)	NIL	NIL	NIL	NIL	443191	NIL	443191	1.804	1.804
ii). Non Resident (Non Repatriable)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
iii). Trust	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
iv). Hindu Undivided Family	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
v). Clearing Member	NIL	NIL	NIL	NIL	297495	NIL	297495	1.210	1.211
vi) Investors Education and Protection Fund Authority (Ministry of Corporate Affairs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total (B)(2)</b>	NIL	200	200	0.001	6283400	NIL	6283400	25.576	25.576
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	NIL	200	200	0.001	6467400	NIL	6467400	26.325	26.325
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	NIL	18100000	18100000	100%	24567200	NIL	24567200	100%	NIL

**(ii) Shareholding of Promoters**

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Rohit Gupta	18088800	99.938	NIL	18088800	73.629	NIL	(26.309)
2.	Suraj Parkash Gupta	10200	0.056	NIL	10200	0.0415	NIL	(0.015)
3.	Radha Rani Gupta	200	0.001	NIL	200	0.0009	NIL	(0.0001)
4.	Pooja Gupta	200	0.001	NIL	200	0.0009	NIL	(0.0001)
5.	Nav Nidhi	200	0.001	NIL	200	0.0009	NIL	(0.0001)
6.	Ram Rattan Gupta	200	0.001	NIL	200	0.0009	NIL	(0.0001)
<b>TOTAL</b>		<b>18099800</b>	<b>99.999</b>	<b>NIL</b>	<b>18099800</b>	<b>73.675</b>	<b>NIL</b>	<b>(26.325)</b>

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

S.No	Shareholders Name	No. of Shares at the beginning i.e 01/04/2017	% of total shares of the company	Increase/ (Decrease) in shareholding	Reason	Cumulative shares during the year	% of total shares of the company during the year
01.	Rohit Gupta	1,80,99,800	99.9999	(26.370)	Change in Percentage of Promoters shareholding on allotment of equity shares to Public (IPO) on 13 <sup>th</sup> March, 2018	1,80,99,800	73.629
02.	Suraj Parkash Gupta	10200	0.056	(0.015)	-do-	10200	0.0415
03.	Radha Rani Gupta	200	0.001	(0.0001)	-do-	200	0.0009
04.	Pooja Gupta	200	0.001	(0.0001)	-do-	200	0.0009
05.	Nav Nidhi	200	0.001	(0.0001)	-do-	200	0.0009
06.	Ram Rattan Gupta	200	0.001	(0.0001)	-do-	200	0.0009

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

S.No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
	For Each of Top Ten Shareholders	No. of Shares at the beginning	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
01.	Nadikattu Rami Reddy	NIL	NIL	March, 2018	409600	Purchase	409600	1.67
02.	Paladugu Dhananjaya Rao	NIL	NIL	March, 2018	408000	Purchase	408000	1.66
03.	Bal Krishen	NIL	NIL	March, 2018	406400	Purchase	406400	1.65
04.	Sumpoorna Portfolio Limited	NIL	NIL	March, 2018	352000	Purchase	352000	1.43
05.	Backbay Equity Partners LLP	NIL	NIL	March, 2018	243200	Purchase	243200	0.99
06.	Keynote Capitals Ltd	NIL	NIL	March, 2018	235200	Purchase	235200	0.96
07.	EW Clover Scheme	NIL	NIL	March, 2018	184000	Purchase	184000	0.75
08.	G. Das Capital Markets Pvt. Ltd.	NIL	NIL	March, 2018	124800	Purchase	124800	0.51
09.	Aruna R Jain	NIL	NIL	March, 2018	108800	Purchase	108800	0.44
10.	Indianivesh Securities Limited	NIL	NIL	March, 2018	72000	Purchase	72000	0.29

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

S.No	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
	For each of the Directors & KMP	No. of Shares at the beginning	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
<b>DIRECTORS:</b>								
01.	Rohit Gupta	1,80,88,800	99.938	March, 2018	(26.309)	Due to allotment of equity shares to Public (IPO) on 13 <sup>th</sup> March, 2018	1,80,88,800	73.629
02.	Anil Kumar	200	0.001	March, 2018	(0.0001)	-do-	200	0.0009
03.	Gayatri Tandon	NIL	NIL	March, 2018	0.006	Purchase	1600	0.006
04.	Thyagarajan Kumaran	NIL	NIL	NIL	NIL	NIL	NIL	NIL
05.	Dr. Tej Partap	NIL	NIL	NIL	NIL	NIL	NIL	NIL
06.	Jagdish Lal Sharma	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>KEY MANAGERIAL PERSONNEL:</b>								
01.	Ms. Prabhdeep Kour (CS)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
02.	Mr. Deepak Singhvi (CFO)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
03.	Mr. Rajesh Kurup (CEO)	NIL	NIL	NIL	NIL	NIL	NIL	NIL



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

Rs. In Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7435.51	Nil	Nil	7435.51
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>7435.51</b>	<b>Nil</b>	<b>Nil</b>	<b>7435.51</b>
<b>Change in Indebtedness during the financial year</b>				
• <b>Addition</b>	Nil	Nil	Nil	Nil
• <b>Reduction</b>	1870.07	Nil	Nil	1870.07
<b>Net Change</b>	<b>1870.07</b>	<b>Nil</b>	<b>Nil</b>	<b>1870.07</b>
Indebtedness at the end of the financial year				
i) Principal Amount	5565.44	Nil	Nil	5565.44
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>5565.44</b>	<b>Nil</b>	<b>Nil</b>	<b>5565.44</b>

Rs. In Lacs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		ROHIT GUPTA (MANAGING DIRECTOR)	ANIL KUMAR (EXECUTIVE DIRECTOR)	GAYATRI TANDON (EXECUTIVE DIRECTOR)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	6.73	7.42	44.15
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profits - others	Nil	Nil	Nil	Nil
5.	Others	Nil	Nil	Nil	Nil
	<b>Total A</b>	<b>30.00</b>	<b>6.73</b>	<b>7.42</b>	<b>44.15</b>
	<b>Ceiling as per the Act</b>	<b>11% of Net Profit</b>			

**B. REMUNERATION TO OTHER DIRECTORS:**

Rs. In Lacs

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	1. Independent Directors Fee for attending board / committee meetings  • Commission • Others	<b>THAYAGRAJAN KUMARAN</b> 0.25	<b>TEJ PARTAP</b> 0.50	<b>JAGDISH LAL SHARMA</b> 0.25	1.00
	Total (1)	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B) = (1)+(2)	0.25	0.50	0.25	1.00
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act (Per Meeting Sitting Fees)	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Rs. In Lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		<b>Deepak Singhvi (CFO)</b>	<b>Prabhdeep Kour (CS)</b>	<b>Rajesh Kurup (CEO)</b>	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	13.86 Nil Nil	3.74 Nil Nil	10.62 Nil Nil	28.23 Nil Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profits - others	Nil	Nil	Nil	Nil
5.	Others	Nil	Nil	Nil	Nil
	<b>Total A</b>	<b>13.86</b>	<b>3.74</b>	<b>10.62</b>	<b>28.23</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

<b>C. Other officers in default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

*For and on behalf of Board of Directors*

**ROHIT GUPTA**  
**MANAGING DIRECTOR**  
**DIN: 02715232**

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

**Date: 24/08/2018**  
**Place: Jammu**

## **ANNEXURE -II TO DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

### **KEY POINTS OF OUR CSR POLICY**

#### **OBJECTIVE**

- I. To set up the guiding principles for carrying out CSR activities.
- II. To set up processes for promoting, investing, engaging, collaborating, implementing and monitoring of the CSR activities to be undertaken by the Company.
- III. To conduct its business in line with the Responsible Business framework.
- IV. To create superior value for our stakeholders.
- V. Implementation of the CSR activities in Projects/ Programme mode through a focused approach for generating maximum approach.

#### **FOCUS AREAS**

- I. Livelihood security and enhanced income for farmers/producers.
- II. Skill development and training
- III. Environmental sustainability
- IV. Access to drinking water

#### **CSR BUDGET:**

- I. The Board of Directors will ensure that the Company spends, in every financial year, at least 2% of the average net profit (to be calculated in accordance with the provision of section 198) of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility policy.
- II. Any surplus or profit generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus or as a supplement to the CSR budget. These funds will be further used in development of the CSR projects and will not be added to the normal business profit.
- III. In the event that the amount to be spent on CSR activities is not spent in its entirety in that FY, the reasons thereof will be outlined as per section 134 (3) (o).
- IV. The company will claim CSR expenditure only for the funds that are provided from its own resources and not for the contribution received from the other sources.
- V. The CSR budget will be used as per the activities mentioned in the schedule VII in project /

Programme mode with a process of monitoring, evaluation and clear outlining of desired outcomes.

- One of event such as marathons/ awards/ charitable contribution/advertisement/ sponsorship of TV programmes and the like would not qualify as part of CSR expenditure.
- Salaries paid by the Company to regular CSR staff as well as volunteers of the Company can be counted as CSR project cost/ expenditure.
  - Contribution to corpus of a trust, society, Section-8 Company etc can qualify as CSR expenditure.

#### **PLANNING AND IMPLEMENTATION:**

All CSR activities will be in the form of Projects/Programmes, which will, as far as possible, entail the following components:

- Details of annual financial allocation.
- Baseline Survey/Need Assessment where considered necessary/feasible.
- Identification of Beneficiaries.
- Signing of agreement with implementing agency.
- Formulation of detailed Project Report with clear deadlines.
- Preparation and Implementation of a comprehensive and concurrent documentation procedure.
- Regular Monitoring & Periodic review of the projects.
- Evaluation & Assessment by a third party.
- Mandatory Reporting

#### **Mode of carrying CSR activities**

- Collaborating with other corporate, Government, International organization participating in projects/programmes where more than one corporate or International agency is involved.
- Through a trust/ society, Section-8 Company set up by the Company or its holding, subsidiary or associate Company.
- If executed through an independent entity, the entity should have three years track record in order to ensure the long term outcomes and impacts, company will lay emphasis on the sustainability of its Projects/Programmes so that they remain sustainable and viable even after the company's withdrawal from the project on completion. Such an entity would have to adhere to modalities of utilizing funds as well as monitoring and reporting requirements.



➤ **The CSR Committee consisting of the following members as on 31<sup>st</sup> of March, 2018:**

S.No.	Name	Nature of Directorship	Designation in Committee
01.	Mr. Jagdish Lal Sharma	Non-Executive Independent Director	Chairman
02.	Mr. Tej Partap	Non-Executive Independent Director	Member
03.	Mr. Anil Kumar	Executive Director	Member

➤ **Average net profit of the company for last three financial years:**

Financial Year	Net Profit Before Tax (Rs. In Lakhs)
2014-2015	919.72
2015-2016	609.02
2016-2017	1577.06
<b>Gross Total</b>	<b>3105.79</b>

**Average Net Profit of Three preceding years**  
Rs. 1035.27 Lacs

Provision of CSR Expenditure @ 2% of average net profits Rs. 20.70 Lacs

- Prescribed CSR Expenditure (two per cent. of the amount as in above item) : Rs. 20.70 Lacs
- Details of CSR spent during the financial year. : Rs. 2.78 Lacs (As per the table below)
- Total amount to be spent for the financial year : Rs. 20.70 Lacs
- Amount unspent, if any :Rs. 17.92 Lacs
- Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs)	Amount spent on the projects or Programs Subheads:  (1) Direct Expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1	Training, education, implementation, information on organic farming to farmers	Training about upcoming technology of organic farming Awareness generation of organic farming On farm organic input Marketing Information [Schedule VII, clause (x)]	Kathua, J&K	Rs. 1.78 Lacs	Rs. 1.78 Lacs	Rs. 1.78 Lacs	Sarveshwar Organic Jammu Project (Trust)
2	Training, education, implementation, information on organic farming to farmers	Training about upcoming technology of organic farming Awareness generation of organic farming On farm organic input Marketing Information [Schedule VII, clause (x)]	R.S Pura Jammu, J&K	Rs. 1 Lac	Rs. 1 Lac	Rs. 1 Lac	Sarveshwar Organic Project Jammu (Trust)
	<b>TOTAL</b>			<b>Rs. 2.78 Lacs</b>			

As per provision of Section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is Rs. 20.70 Lacs during the financial year, 2017-18, however, the Company despite of its best efforts for the utilization of eligible amount towards CSR, could spend only Rs. 2.78 Lacs, the unspent amount of Rs. 17.92 Lacs shall be spent in the current financial year.

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

**ROHIT GUPTA  
MANAGING DIRECTOR  
DIN: 02715232**

**ANIL KUMAR  
DIRECTOR  
DIN: 07417538**

**Date: 24/08/2018  
Place: Jammu**

**ANNEXURE -III TO DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,  
2018**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 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 sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	Not Applicable

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

<b>SR. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name (s) of the related party & nature of relationship	<b>Rohit Gupta, Managing Director</b>
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 72 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL
2	Name (s) of the related party & nature of relationship	<b>Suraj Prakash Gupta, Relative of the Director</b>
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 12 Lacs
	Date of approval by the Board	04/04/2017
3	Name (s) of the related party & nature of relationship	<b>Radha Rani Gupta, Relative of the Director</b>
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 30 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL

4	Name (s) of the related party & nature of relationship	<b>Pooja Gupta, Relative of the Director</b>
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 3 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL
5	Name (s) of the related party & nature of relationship	<b>Rohit Gupta, Managing Director</b>
	Nature of contracts/arrangements/transaction	Salary
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 30 Lacs
	Date of approval by the Board	30/07/2016
	Amount paid as advances, if any	NIL
6	Name (s) of the related party & nature of relationship	<b>Sarveshwar Logistics, Partnership Firm in which Mr. Anil Kumar, Director of the company is Partner.</b>
	Nature of contracts/arrangements/transaction	Freight
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 62.75 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL
7	Name (s) of the related party & nature of relationship	<b>Himalayan Bio Organic Foods Private Limited, Wholly Owned Subsidiary Company</b>
	Nature of contracts/arrangements/transaction	Purchase
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 668.08 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL
8	Name (s) of the related party & nature of relationship	<b>Himalayan Bio Organic Foods Private Limited, Wholly Owned Subsidiary Company</b>
	Nature of contracts/arrangements/transaction	Sales
	Duration of the contracts/arrangements/transaction	F.Y 17-18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 2552.99 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL



9	Name (s) of the related party & nature of relationship	<b>Sarveshwar Overseas Limited, Wholly Owned Subsidiary Company</b>
	Nature of contracts/arrangements/transaction	Purchases
	Duration of the contracts/arrangements/transaction	F.Y 17 -18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 1078.52 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL
10	Name (s) of the related party & nature of relationship	<b>Sarveshwar International, Partnership Firm in which the relative of Director is Partner</b>
	Nature of contracts/arrangements/transaction	Sales
	Duration of the contracts/arrangements/transaction	F.Y 17 -18
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 164.95 Lacs
	Date of approval by the Board	04/04/2017
	Amount paid as advances, if any	NIL

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

**ROHIT GUPTA  
MANAGING DIRECTOR  
DIN: 02715232**

**ANIL KUMAR  
DIRECTOR  
DIN: 07417538**

**Date: 24/08/2018**

**Place: Jammu**

**ANNEXURE -IV TO DIRECTORS REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018  
FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH,  
2018[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 31<sup>st</sup> March 2018 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 31<sup>st</sup> March, 2018 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) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and

the rules and regulations made thereunder to 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)**

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- © The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the company during Audit Period)**
- (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; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period);**
- (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)**

(vi) 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:

- 1) As per provision of Section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is Rs. 20.70 Lacs during the financial year, 2017-18, however as per information provided, the Company despite of best efforts for the utilization of eligible amount towards CSR, could spend only Rs. 2 Lacs, the unspent amount of Rs. 18.70 Lacs shall be spent in the current financial year.

#### **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. 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 except one Board Meeting which was held at shorter notice 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:

1. Special Resolution under Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 was passed by the members at its Extra Ordinary General Meeting held on 13<sup>th</sup> July, 2017 for issue of equity shares to the public (Initial Public Offer) upto an aggregate amount not exceeding Rs. 56 Crores.

2. Authorization to Board of Directors to borrow money upto Rs.200 Crores or sum of the paid-up capital and free reserves, whichever is higher.

3. Authorization to Board of Directors to create mortgages/Charges/Hypothecation on whole or substantially the whole of the undertaking.

4. Appointment of Mr. Thayagrajan Kumaran and Dr. Tej Partap as an Independent Directors of the company at its Extra Ordinary General Meeting held

on 11<sup>th</sup> May, 2017.

5. Appointment of Mr. Jagdish Lal Sharma as an Independent Directors of the company at its Extra Ordinary General Meeting held on 10<sup>th</sup> July, 2017.

6. Allotment of 64,67,200 Equity Shares of Rs. 10/- each at a Premium of Rs. 75/- per share through the Board Resolution passed by the Board of Directors in the meeting held on 13<sup>th</sup> of March, 2018.

**For Yamina Almas & Associates**  
**Practicing Company Secretaries**

**Sd/-**  
**Aaliyah Bashir**  
**M.No: 50650**  
**CP No: 18588**

**Place: Srinagar**  
**Date: 20/08/2018**

## **ANNEXURE-1 TO THE SECRETARIAL** **AUDIT REPORT**

To,  
The Members,  
**M/s. Sarveshwar Foods Limited**  
Sarveshwar House, Below Gummat, Jammu  
J&K -180001

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2018 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 Yamina Almas & Associates**  
**Practicing Company Secretaries**

**Sd/-**  
**Aaliyah Bashir**  
**M.No: 50650**  
**CP No: 18588**

**Place: Srinagar**  
**Date: 20/08/2018**



**ANNEXURE -V TO DIRECTORS REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Statement Containing certain financial  
information of subsidiaries, associate  
Companies and Joint Ventures of Sarveshwar  
Foods Limited as at 31<sup>st</sup> March 2018  
Statement pursuant to first proviso to Sub-  
Section (3) of Section 129 read with Rule 5 of  
Companies (Accounts) Rules, 2014  
PART-A "SUBSIDIARIES"**

Sl. No.	Particulars	Details of Subsidiaries		
1.	Name of the subsidiary	Sarveshwar Overseas Limited	Himalayan Bio Organic Foods Private Limited	Natural Global Foods DMCC
2.	Date since when subsidiary was acquired	28/04/2015	22/06/2017	07/12/2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A	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	AED
5.	Share capital:			
	Equity Share Capital	1500.00	5.00	8.86
	Preference Share Capital	2200.00	NIL	NIL
6.	Reserves & Surplus	373.62	151.45	265.50
7.	Total assets	20200.08	2372.96	3779.37
8.	Total Liabilities	20200.08	2372.96	3779.37
9.	Investments	NIL	NIL	NIL
10.	Turnover	24812.44	3167.12	3750.89
11.	Profit before taxation	240.11	208.92	264.19
12.	Provision for taxation	58.65	57.56	NIL
13.	Profit after taxation	181.46	151.36	264.19
14.	Proposed Dividend	NIL	NIL	NIL
15.	% of shareholding	99.00%	100.00%	100.00%

\*\*AED: Exchange Rate as on 31/03/2018 is Rs. 17.63/- per AED.

**CFO Certification pursuant to Regulation  
17(8) of SEBI ( Listing Obligations &  
Disclosure Requirements), 2015 for the  
financial year ending 2017-18**

To,  
The Board of Directors,  
**M/s. Sarveshwar Foods Limited**  
Sarveshwar House, Below Gummat, Jammu, J&K

This is to certify that:

a) We have reviewed financial statements and cash flow statement for the year 2017-18 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 the 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 year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept 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 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 about,

I. Significant changes in internal control over financial reporting during the year,

II. Significant change in accounting policies during the 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.

Thanking you,

**For Sarveshwar Foods Limited**

**Deepak Singhvi**  
Chief Financial Officer  
Dated: 20/08/2018  
Place: Jammu

**CORPORATE GOVERNANCE REPORT**  
**According to the Regulation 27(2) of SEBI**  
**(Listing Obligation and Disclosure**  
**Requirements) Regulations, 2015, the**  
**Corporate Governance report generated by**  
**Sarveshwar Foods Limited**

**“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 Woman Director which clearly demarcate the functions of governance and management. As on March 31, 2018, your Company's Board has a strength of 6 (Six) 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)	3	50
Independent Non-Executive Directors	3	50

As per Regulation 17(b) of the SEBI Listing Regulations, where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors. Further, at present there are 3 (Three) 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:

The Independent Directors of your Company will hold office for 5 (Five) consecutive years from the date of appointment in Extra Ordinary General Meeting. No Independent Directors are liable to retire by rotation. However, they can resign from directorship any time before their respective tenure.

During the year, the members of the Company in their meeting held on May 11, 2017, had appointed Mr. Thyagarajan Kumaran (DIN: 07465316) and Dr. Tej Partap (DIN: 07818713) as an Independent Director under the category Independent Non-Executive and the members of the Company in their meeting held on July 10, 2017, had appointed Mr. Jagdish Lal Sharma (DIN: 07874555) as an Independent Director under the category Independent Non-Executive.

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.

In accordance with the provisions of Section 152 of

the Companies Act, 2013, and as per Amended Articles of Association of the Company, Mr. Anil Kumar, 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. Anil Kumar, 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. 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 2017-18:

Brief Information about Directors		Attendance Record during financial year 2017-18		Directorship/Membership/ Chairmanship as on March 31, 2018			
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, 2018	Number of Committee Positions held in all Companies* as on March 31, 2018	
		Held	Attended			Chairman	Member
<b>Executive Directors:</b>							
Mr. Rohit Gupta	02715232	26	26	Yes	05	Nil	Nil
Mr. Anil Kumar	07417538	26	26	Yes	04	Nil	04
Dr. Gayatri Tandon	07417422	26	26	Yes	02	Nil	Nil
<b>Independent Non-Executive Director:</b>							
Mr. Thyagarajan Kumaran	07465316	24	02	No	01	02	Nil
Dr. Tej Partap	07818713	24	02	Yes	Nil	Nil	04
Mr. Jagdish Lal Sharma	07874555	18	09	Yes	Nil	03	02

#### **D. LIMIT ON THE NUMBER OF DIRECTORSHIPS:**

In compliance with Regulation 25 of the SEBI Listing Regulations, the Independent Directors on the Board of the company does not serve as an Independent Directors in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time Director in any Listed Company, does not hold position of Independent Director in more than 3 (Three) Listed Companies.

#### **E. MAXIMUM TENURE OF INDEPENDENT DIRECTORS:**

In accordance with the provisions of Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company has been fixed for a period of 5 (Five) consecutive years from the date of Extra Ordinary General Meeting held on May 11, 2017 and July 10, 2017.

#### **F. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS:**

i) In accordance with the provisions of SEBI Listing Regulations read with Schedule IV of the Companies Act, 2013, the Company has issued formal letters of appointment along with the terms and conditions of appointment to all the Independent Directors.

#### **G. 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.

#### **H. 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.

ii) The policy on the familiarization programs for Independent Directors has been uploaded on the Company's website at [www.sarveshwarrice.com](http://www.sarveshwarrice.com).

#### **I. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTOR:**

Non-Executive Directors neither holds any Equity Shares nor hold any convertible instruments of the company.

#### **J. 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 recognised 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.

#### **K. INTER-SE RELATIONSHIP AMONGST DIRECTORS:**

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

#### **3. BOARD MEETINGS AND PROCEDURES:**

##### **A. BOARD MEETINGS**

Company's Corporate Governance Policy requires the Board to meet at least four times in a year. 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.

## C. SHAREHOLDING OF DIRECTORS

The Shareholding of Directors as on March 31, 2018 are given below:

Name	Number of Shares Held
Mr. Rohit Gupta	1,80,88,800
Mr. Anil Kumar	200
Dr. Gayatri Tandon	Nil
Mr. Thyagarajan Kumaran	Nil
Dr. Tej Partap	Nil
Mr. Jagdish Lal Sharma	Nil

## D. DISCLOSURE PURSUANT TO REGULATION 36 OF THE SEBI LISTING REGULATIONS REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AT THE FORTHCOMING AGM:

Mr. Anil Kumar, aged 40 years, is the Executive Director of our Company. He has been associated with our Company since August 03, 2004. He has cleared his intermediate (higher secondary) from K.V. Air Force Station, Sarsawa. He has over a decade of experience in purchase and sale of paddy and rice. He looks into the general management of our Company. Budgetary controls, maintaining employee relations and team building are few of the areas which can be attributed to his contribution to our Company.

## Disclosure of relationship between directors inter-se:

There is no inter-se relationship between the Directors and Mr. Anil Kumar.

Listed Entities (other than Sarveshwar Foods Limited) in which Mr. Anil Kumar holds directorship and membership in committees are as follows:

Directorship: Nil

Chairperson of Board Committees: Nil

Member of Board Committees: Audit Committee,

Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

Shareholding in the Company: 200 Equity Shares

## 4. 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:

### A. Composition of the Committee

Our Company has re-constituted the Audit Committee in accordance with the Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations. Further, the Audit Committee was re-constituted by way of a Board resolution dated July 12, 2017. The audit committee presently consists of the following Directors of the Board:

- Mr. Thyagarajan Kumaran, Chairman;
- Mr. Jagdish Lal Sharma, Member;
- 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. Thyagarajan Kumaran, has more than thirty (30) years of experience in the banking sector and have considerable accounting and related Financial Expertise. 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.

## **B. 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.

### C. Meetings and Attendance

During the financial year 2017-18, 3 (Three) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by members during the financial year 2017-18 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	26/06/2017	3	3	100
02.	15/12/2017	3	2	66.66
03.	10/03/2018	3	2	66.66

## II) NOMINATION AND REMUNERATION COMMITTEE:

### A. Composition of the Committee

Our Company has constituted in terms of Section 178 of the Companies Act, Remuneration Committee as Nomination and Remuneration Committee in the meeting of the Board of Directors held on July 12, 2017. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

- i) Mr. Thyagarajan Kumaran, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Jagdish Lal Sharma, 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.

### B. 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.

### C. Meetings and Attendance

During the financial year 2017-18, 3 (Three) meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by members during the financial year 2017-18 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	11/05/2017	3	3	100
02.	15/12/2017	3	2	66.66
03.	10/03/2018	3	2	66.66

#### D. 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.sarveshwarice.com](http://www.sarveshwarice.com).

#### E. Remuneration of Directors

Details of Remuneration and Sitting Fees paid to the Directors during the Financial Year 2017-18 are as follows:

Name of Directors	Salaries	Perquisites	Sitting Fees* Rs.	Total
Mr. Rohit Gupta	3000000/-	-	-	3000000/-
Mr. Anil Kumar	673464/-	-	-	673464/-
Dr. Gayatri Tandon	742358/-	-	-	742358/-
Mr. Thayagrajan Kumaran	-	-	25000/-	25000/-
Dr. Tej Partap	-	-	50000/-	50000/-
Mr. Jagdish Lal Sharma	-	-	25000/-	25000/-

#### III) Stakeholders Relationship Committee:

##### A. Composition of the Committee

Our Company has constituted the Stakeholders Relationship Committee by way of a Board Resolution dated July 12, 2017. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

- i) Mr. Jagdish Lal Sharma, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Anil Kumar, Member

##### B. 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.

There was no Stakeholders Relationship Committee Meeting held during the financial year 2017-18.

#### IV) Corporate Social Responsibility (CSR) Committee:

##### A. Composition of the Committee

Our Company has re-constituted the CSR Committee by way of a Board Resolution dated July 12, 2017. The CSR Committee presently consists of the following Directors of the Board:

- i) Mr. Jagdish Lal Sharma, Chairman;
- ii) Dr. Tej Partap, Member;
- iii) Mr. Anil Kumar, Member

##### B. Terms of Reference

The scope of the CSR Committee is set out below:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013;

2. To recommend the amount of expenditure to be incurred on the activities;

3. To monitor the CSR Policy of our Company from time to time;

4. To monitor the CSR activities undertaken by our Company, which shall be as per the CSR Policy, as projects or programs or activities undertaken in India (either new or ongoing), excluding activities undertaken in its normal course of business;

5. To provide a report on CSR activities to the Board of our Company;

6. To be responsible for the implementation and monitoring of CSR Policy, this shall be in compliance with CSR objectives and Policy of our Company; and

7. To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.



### C. Meetings and Attendance

During the financial year 2017-18, 1 (One) meeting of CSR Committee was held. Details of CSR Committee Meeting held and attended by members during the financial year 2017-18 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	20/06/2017	3	3	100

### V) Risk Management Committee:

#### A. Composition of the Committee

Our Company has constituted the Risk Management Committee by way of a Board Resolution dated July 12, 2017 pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee presently consists of the following Directors of the Board:

- i) Mr. Jagdish Lal Sharma, 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.

#### B. 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:

1. To finalise risk assessment under the risk management framework;
2. To monitor and review risk management plan/ framework as approved by the Board; and
3. To inform the Board in relation to the risk assessed and action required to be taken/ already taken for mitigating risks on quarterly basis.

There was no Risk Management Committee Meeting held during the financial year 2017-18.

### 5. MATERIAL SUBSIDIARY COMPANIES:

Sarveshwar Foods Limited does not have any material subsidiary 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.sarveshwarrice.com](http://www.sarveshwarrice.com).

### 6. DETAILS OF ANNUAL GENERAL MEETINGS:

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

Financial Year	General Meeting	Location	Date	Time
2016-17	13 <sup>th</sup> AGM	Sarveshwar House below Gumat, Jammu, Jammu and Kashmir-180001	30 <sup>th</sup> Day of September, 2017	11:00 A.M
2015-16	12 <sup>th</sup> AGM	Sarveshwar House below Gumat, Jammu, Jammu and Kashmir-180001	30 <sup>th</sup> Day of September, 2016	11:00 A.M
2014-15	11 <sup>th</sup> AGM	Sarveshwar House below Gumat, Jammu, Jammu and Kashmir-180001	30 <sup>th</sup> Day of September, 2015	11:00 A.M

During the last three Annual General Meetings, there was no special resolution passed by the Shareholders of the Company.

**Extra Ordinary General Meetings held during the financial year 2017-18:**

S.No.	Date of EGM	Place	Summary of Resolutions Passed
01.	11 <sup>th</sup> of May, 2017	Sarveshwar House, Below Gummat, Jammu-J&K	Appointment of Mr. Thyagarajan Kumaran and Mr. Tej Partap as an Independent Director of the company w.e.f 11 <sup>th</sup> May, 2017.
02.	29 <sup>th</sup> of June, 2017	Sarveshwar House, Below Gummat, Jammu-J&K	Appointment of Mr. Jagdish Lal Dhar as an Independent Director of the company w.e.f 10 <sup>th</sup> of July, 2017.
03.	10 <sup>th</sup> of July, 2017	Sarveshwar House, Below Gummat, Jammu-J&K	Appointment of Mr. Jagdish Lal Sharma as an Independent Director of the company w.e.f 10 <sup>th</sup> of July, 2017.
04.	13 <sup>th</sup> of July, 2017	Sarveshwar House, Below Gummat, Jammu-J&K	<ul style="list-style-type: none"><li>• Issue and Allotment of Equity Shares to the Public (Initial Public Offer)</li><li>• Re-appointment of Mr. Rohit Gupta as Managing Director and Chief Executive Officer of the company for a period of 5 years.</li><li>• Re-appointment of Mr. Anil Kumar Sharma as Director of the company for a period of 5 years</li><li>• Appointment of Compliance Officer</li><li>• Approval of limit of Borrowings under Section 180(1)(C) of the Companies Act, 2013.</li><li>• Authorization to provide Security against Borrowings.</li></ul>
05.	17 <sup>th</sup> of July, 2017	Sarveshwar House, Below Gummat, Jammu-J&K	Appointment of Statutory Auditors to fill the casual vacancy.
06.	15 <sup>th</sup> of September, 2017	Sarveshwar House, Below Gummat, Jammu-J&K	Transfer of Unit-II of Sarveshwar Foods Limited to Himalayan Bio Organic Foods Private Limited.

## **B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT**

During the financial year 2017-18, No Special Resolution was passed through postal ballot.

## **7. 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. MATERIALY 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.

### **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. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES**

There were no cases of non-compliance with stock exchanges or SEBI Regulations. Also no penalties or strictures were imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the capital market during the financial year 2017-18 as the company was listed on NSE SME Platform on 15<sup>th</sup> of March, 2018.

## **E. 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.sarveshwarice.com](http://www.sarveshwarice.com).

### **F. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS**

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

### **G. 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 14th Annual General Meeting of the Company.

### **H. 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.

### **I. CORPORATE SOCIAL RESPONSIBILITY**

The detailed Annual Report on Corporate Social Responsibility have also been disclosed as Annexure-5 in the separate section titled Directors' Report forming part of the Annual Report.

### **J. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

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.

## K. 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.

## 8. MEANS OF COMMUNICATION FINANCIAL RESULTS AND ANNUAL REPORTS ETC.

The Half Yearly and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company are sent immediately to the NSE with which the Shares of the Company are listed.

The Half Yearly and Annual Financial Statements, the Annual Report of the Company and other information can also be retrieved by Investors from the website of the Company at [www.sarveshwarice.com](http://www.sarveshwarice.com).

## 9. GENERAL SHAREHOLDER INFORMATION ANNUAL GENERAL MEETING

Day, Date & Time	Tuesday September 25, 2018 03.00 P.M
Venue	Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir 180006, India
Financial Calendar	The Financial year of the Company start from 1st April of a year and ends on March 31 of the following year.
Tentative Schedule for declaration of results during the financial year 2018-2019	
• 1st Half Year (September, 2018)	Second week of November, 2018
• 2nd Half Year (March, 2019) and Audited : Financial Results for the year ended 31st March, 2019	Last week of May, 2019
Date of Book Closure	From Tuesday day, 18th September, 2018 to Tuesday, 25th September, 2018 (both days inclusive) for the purpose of Annual General Meeting
Listing on Stock Exchange and Stock Code	Equity Shares of the Company are listed at National Stock Exchange of India Limited (NSE-EMERGE), (Symbol: SARVESHWAR)
Face Value of Equity Shares	Rs. 10/- each.

## 10. MARKET PRICE DATA

**Monthly High/Low price of Equity Shares of the Company during the financial year 2017-2018 on National Stock Exchange of India Limited.**

Month	National Stock Exchange of India Limited (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
March, 2018	83.00	57.50

Our Company is listed with the NSE-EMERGE SME Exchange on 15<sup>th</sup> of March, 2018.

## 11. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed **M/s. Bigshare Services Private Limited**, 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East) Mumbai-400059 as its Registrar and Transfer Agent (RTA) for electronic mode of Transfer of Share of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## 12. SHARE TRANSFER SYSTEM

The Company's shares being in compulsory Demat list are transferable through the depository system. The Company obtains half-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)

Trade World, 4th Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013  
Telephone: 022 – 24994200  
Facsimile: 022 – 24972933  
E-mail: [investor@nsdl.co.in](mailto:investor@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

**Central Depository Services (India) Limited (CDSL)**

Marathon Futurex, A-Wing, 25th floor, NM Joshi

Marg, Lower Parel, Mumbai 400013

Telephone: 022 – 22723333

Facsimile: 022 – 22723199

E-mail: info@cdslindia.com

Website: www.cdslindia.com

**Dematerialization of Shares**

24567200 Equity Shares of Rs. 10/- each (i.e. 100%) have been dematerialized as on 31st March, 2018.

**12. DIVIDEND**

Sarveshwar Foods Limited has not declared any dividend during the year under review.

**13. RECONCILIATION OF SHARE CAPITAL AUDIT**

Ms. Yamina Almas, M/s Yamina Almas & Associates, ACS Number-36331, CP Number -13561, 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

**14. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2018:**

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	<b>Promoter &amp; Promoter Group :</b>		
	(a) Individuals/Hindu Undivided Family	18099800	73.67
	(b) Bodies Corporate	-	-
	Sub Total	18099800	73.67
(B)	<b>Public Shareholding</b>		
	1. Institutions		
	(a) Mutual Funds	-	-
	(b) Alternate Investment Funds	184000	0.75
	(c) Financial Institutions/Banks	-	-
	(d) Foreign Institutional Investors	-	-
	2. Non-Institutions		
	(a) Individuals	4410078	17.94
	(b) Trust	-	-
	(c) Hindu Undivided Family	-	-
	(d) Non-Resident	1132636	4.61
	(e) Clearing Members	297495	1.21
	(f) Bodies Corporate	443191	1.80
	Sub Total	6467400	26.33



**15. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON MARCH 31, 2018**

S.No	Name of Top Ten Shareholders	Number of Shares held	% of Shares
01.	NADIKATTU RAMI REDDY	409600	1.67
02.	PALADUGU DHANANJAYA RAO	408000	1.66
03.	BAL KRISHEN	406400	1.65
04.	SUMPOORNA PORTFOLIO LIMITED	352000	1.43
05.	BACKBAY EQUITY PARTNERS LLP	243200	0.99
06.	KEYNOTE CAPITALS LTD	235200	0.96
07.	EW CLOVER SCHEME	184000	0.75
08.	G. DAS CAPITAL MARKETS PVT. LTD.	124800	0.51
09.	ARUNA R JAIN	108800	0.44
10.	INDIANIVESH SECURITIES LIMITED	72000	0.29

**16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018:**

SHAREHOLDING OF NOMINAL (RS)	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL %	SHARE AMOUNT (RS)	PERCENTAGE %
0001-5000	9	0.4642	13610	0.0055
5001-10000	3	0.1547	25830	0.0105
10001-20000	1781	91.8515	28494130	11.5984
20001-30000	1	0.0516	22170	0.0090
30001- 40000	69	3.5585	2206260	0.8981
40001- 50000	18	0.9283	864000	0.3517
50001- 100000	19	0.9799	1360000	0.5536
100001- 99999999999	39	2.0113	212686000	86.5732
Total:	1939		245672000	100.0000

**17. ADDRESS FOR CORRESPONDENCE:**

Sarveshwar Foods Limited  
Sarveshwar House, Below Gummat, Jammu-J&K  
E-mail: investorrelations@sarveshwarrice.com

## **DECLARATION BY MANAGING DIRECTOR**

I, Rohit Gupta, (DIN: 02715232) Managing Director of “Sarveshwar Foods Limited”, hereby declare that all the members of the Board of Directors have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2018.

**By Order of the Board**

**Sd/-  
ROHIT GUPTA  
MANAGING DIRECTOR  
DIN: 02715232**

**Place: Jammu  
Date: 24/08/2018**

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To,**

**The Members of Sarveshwar Foods Limited**

We have examined the compliance of conditions of Corporate Governance by Sarveshwar Foods Limited for the year ended March 31, 2018 as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI Listing Regulations, 2015”) as referred in Regulation 15(2) of the listing regulations for the period 1st April, 2017 to 31st March 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. 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 in the SEBI Listing Regulations, 2015.

We 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 Yamina Almas & Associates  
Practicing Company Secretaries**

**Sd/-  
Aaliyah Bashir  
M.No: 50650  
CP No: 18588**

**Place: Srinagar  
Date: 20/08/2018**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARVESHWAR FOODS LIMITED

## 1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SARVESHWAR FOODS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for 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 Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder.

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

## 3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143 (11) of the Act.

We conducted our audit of financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## 4. Opinion

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 Act 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, 2018, its profit and its cash flows for the year ended on that date.

## 5. 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 Balance Sheet, the Statement of Profit and Loss and 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 Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub

section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

**For KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**

**Place: New Delhi**  
**Date: 26.05.2018**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE 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”)**

We have audited the internal financial controls over financial reporting of **SARVESHWAR FOODS LIMITED** (“the Company”) as at March 31, 2018, 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 the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



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

### **Opinion**

In our opinion, to the best of our information and according to the 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, 2018, 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)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**

**Place: New Delhi**  
**Date: 26.05.2018**

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS of SARVESHWAR FOODS LIMITED**

**(Referred to in Paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- |  |  |
|--|--|
| <p>(i)</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.</p> <p>(b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.</p> <p>(c) Title deeds of immovable properties are held in the name of the company.</p> <p>(ii) Stocks of inventories have been physically verified during the year by the management. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.</p> <p>(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clause (iii) of the Order is not applicable to the Company.</p> <p>(iv) In our opinion and according to the information and explanations given to us, 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.</p> <p>(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Consequently, clause (v) of the Order is not applicable to the Company.</p> <p>(vi) According to the information and explanations given to us, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013. Consequently, clause (vi) of the Order is not applicable to the Company.</p> <p>(vii) According to the information and explanations</p> | <p>given to us and on the basis of our examination of the books of account, in respect of statutory dues:</p> <p>(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.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.</p> <p>(c) There are no dues of Income-tax, Sales-tax, Excise Duty and Service Tax which have not been deposited as on March 31, 2018, on account of disputes with the related authorities.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.</p> <p>(ix) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans during the year. The Company has made an initial public offer during the year and according to the information and explanations given to us the proceeds of initial public offer was applied for the purposes for which those are raised.</p> <p>(x) 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.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the Company has paid Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.</p> <p>(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.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, all</p> |
|--|--|

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) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, requirement under clause (xiv) is not applicable to the Company.
- (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.

**For KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**

**Place: New Delhi**  
**Date: 26.05.2018**

# STANDALONE FINANCIALS

## Balance Sheet as at 31st March 2018

Particulars	Note No.	As at 31 March, 2018 Rs in Lakhs	As at 31 March, 2017 Rs in Lakhs
<b>A <u>EQUITY AND LIABILITIES</u></b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	2,456.72	1,810.00
(b) Reserves and Surplus	4	8,191.23	2,788.43
<b>2 Non-Current Liabilities</b>			
(a) Long Term Borrowing	5	-	-
(b) Other Non Current Liabilities	6	10.50	110.80
(c) Deferred Tax Liabilities (net)		-	-
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	7	6,018.44	7,411.28
(b) Trade Payables			
Micro & Small Enterprises		666.67	303.48
Others	8	1,720.64	2,762.13
(c) Other Current Liabilities	9	205.26	238.32
(d) Short Term Provision	10	43.72	159.13
<b>TOTAL</b>		<b>19,313.17</b>	<b>15,583.57</b>
<b>B <u>ASSETS</u></b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	455.53	514.91
(ii) Capital Work in Progress		-	9.90
(b) Other Non Current Assets	12	1,498.71	1,857.61
<b>Deferred Tax Assets</b>		10.62	17.30
<b>2 Current Assets</b>			
(a) Inventories	13	12,312.49	9,191.38
(b) Trade Receivable	14	3,219.24	3,920.25
(c) Cash and Cash Equivalent	15	1,617.30	17.86
(d) Other Current Assets	16	199.29	54.37
<b>TOTAL</b>		<b>19,313.17</b>	<b>15,583.57</b>

Significant Accounting policies &

**C** Notes forming part of Financial Statements

1-32

Signed as per our attached report

**For K R A & Co.**

**Chartered Accountants**

**Firm Registration No: 020266N**

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

**Rajat Goyal**  
Partner  
Membership No. 503150  
Place: New Delhi  
Date: 26.05.2018

**Rohit Gupta**  
Managing Director  
DIN:02715232  
Place: Jammu  
Date: 26.05.2018

**Anil Sharma**  
Director  
DIN:07417538  
Place: Jammu  
Date: 26.05.2018

# STANDALONE FINANCIALS

## Statement of Profit and Loss for the Year ended 31st March 2018

	Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
			Rs in Lakhs	Rs in Lakhs
<b>A</b>	<b>INCOME</b>			
1	Revenue from Operations	17	21,673.70	20,760.26
2	Other Income	18	126.46	30.79
3	<b>Total Income (1+2)</b>		<b>21,800.17</b>	<b>20,791.06</b>
<b>4</b>	<b>EXPENSES</b>			
	(a) Cost of Material consumed	19	13,271.04	10,562.54
	(b) Purchase of Traded Goods		10,996.04	7,908.61
	(c) Changes in inventories of finished goods, work -in-progress and stock-in-trade	20	(6,005.65)	(1,649.95)
	(d) Employee Benefits Expense	21	205.97	248.26
	(e) Finance Cost	22	706.83	819.04
	(f) Depreciation	11	90.69	90.65
	(g) Other Expenses	23	1,074.31	1,234.84
	<b>Total Expenses</b>		<b>20,339.23</b>	<b>19,214.00</b>
5	<b>Profit before tax (3-4)</b>		<b>1,460.93</b>	<b>1,577.06</b>
6	<b>Tax expense:</b>			
	(a) Current Tax		398.72	424.25
	(b) Current tax expense relating to prior years		-	-
	(c) Deferred tax		6.68	(4.16)
			<b>405.40</b>	<b>420.09</b>
7	<b>Profit for the year (5-6)</b>		<b>1,055.54</b>	<b>1,156.97</b>
8	<b>Earning per share ( Face value of ` 10)</b>	24		
	Basic		5.74	6.39
	Diluted		5.74	6.39

Significant Accounting policies &  
Notes forming part of Financial Statements  
Signed as per our attached report

**For K R A & Co.**

**Chartered Accountants**

**Firm Registration No: 020266N**

1-32

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

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**  
Place: New Delhi  
Date: 26.05.2018

**Rohit Gupta**  
**Managing Director**  
**DIN:02715232**  
Place: Jammu  
Date: 26.05.2018

**Anil Sharma**  
**Director**  
**DIN:07417538**  
Place: Jammu  
Date: 26.05.2018



# STANDALONE FINANCIALS

## Cash Flow Statement for the Year ended 31st March 2018

Particulars	For the year ended 31st March 2018 Rs in lakhs	For the Year ended 31st March 2017 Rs in lakhs
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit After Tax</b>	1,055.54	1,156.97
Add: Non Cash or Non Operating Expenses/Incomes		
Provision for taxation	405.40	420.09
Proir Period Adjustments	0.36	-
Bad Debts	0.56	-
Finance cost	706.83	819.04
Foreign Exchanges Gain	(8.05)	(9.68)
Interest On FDs	(0.11)	(1.23)
Profit on Sale of Assets	(2.07)	-
Depreciation	90.69	90.65
<b>Adjustment for Working Capital</b>		
Short term borrowings	(1,392.85)	(992.28)
Trade Payables	(678.30)	807.69
Other Current Liabilities	(33.06)	101.19
Inventories	(3,121.10)	(991.32)
Trade receivables	701.01	(64.30)
Other Current assets	(144.92)	25.77
	(2,420.09)	1,362.60
Less: Income Tax Paid	514.15	294.66
<b>Net Cash from Operating Activities</b>	(2,934.24)	1,067.94
<b>B. Cash Flow From Investing Activities</b>	338.42	(421.90)
Fixed Assets Purchased (incl WIP)	(31.24)	50.52
Fixed Assets Sold	10.65	
Interest on FDs	0.11	1.23
Other non current assets	358.90	(372.61)
<b>C. Cash Flow From Financing Activities</b>	4,195.26	(736.56)
Share Capital Raised Net	4,994.34	
Other non current liabilities	(100.30)	72.80
Foreign Exchange Gain	8.05	9.68
Finance Cost	(706.83)	819.04
<b>Cash Flow during the Year</b>	<b>1,599.44</b>	<b>(90.51)</b>
<b>Cash and Cash Equivalent in the beginning</b>	<b>17.86</b>	<b>108.37</b>
<b>Cash and Cash Equivalent at the end</b>	<b>1,617.30</b>	<b>17.86</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	13.71	4.31
Balance with banks	1,603.59	13.55
<b>Total cash and cash equivalents (note 15)</b>	<b>1,617.30</b>	<b>17.86</b>

Signed as per our attached report

For K R A & Co.

Chartered Accountants

Firm Registration No: 020266N

For and on behalf of the Board of Directors

Rajat Goyal

Partner

Membership No. 503150

Place: New Delhi

Date: 26.05.2018

Rohit Gupta

Managing Director

DIN:02715232

Place: Jammu

Date: 26.05.2018

Anil Sharma

Director

DIN:07417538

Place: Jammu

Date: 26.05.2018

## **1 Corporate information**

Sarveshwar Foods Limited is engaged in Manufacturing, Trading and Export of Basmati rice, which is a long grain with a fine texture. It is one of the most expensive rice varieties in the world. It has strong aroma in raw and cooked forms, and its longer size differentiates it from non-basmati variants. The word basmati means the 'queen of fragrance' or the 'perfumed one'. The rice's perfumed, nut-like flavour and aroma are its innate characteristics, which get enhanced with age. Therefore, basmati rice, which is available in both white and brown forms, needs to be matured for at least 6-8 months to be marketable. The company having its registered office at "SARVESHWAR HOUSE, BELOW GUMAT, JAMMU, JAMMU AND KASHMIR JK 180001 IN" is a listed public limited company.

Company was originally incorporated as a private limited company, at Jammu and Kashmir, India under the Companies Act, 1956 in the name of Sarveshwar Overseas Private Limited vide Certificate of Incorporation dated August 3, 2004. Fresh Certificate of Incorporation dated April 13, 2010 was issued to the Company pursuant to change of name of our Company to Sarveshwar Organic Foods Private Limited. Subsequently, fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 29, 2010 was issued by RoC, Jammu and Kashmir. Further, the name of our Company was changed to Sarveshwar Foods Limited pursuant to which, our Company has received a fresh Certificate of Incorporation dated June 29, 2015. 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. Currently owned and managed by the fourth generation of the family and supported by a team of able professionals, the company is run bearing in mind the vision of the current chairman who gave it a new direction.

With over 100 years of experience in sourcing and processing of traditional Basmati rice, Sarveshwar is an amalgam of centuries old values and traditional farming, modern manufacturing processes and state-of-the-art quality systems.

## **2 Basis of Preparation of financial statements(Significant Accounting Policies & other explanatory Notes)**

### **2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

### **2.2 Use of estimates**

The preparation of financial statements are in conformity with the Accounting Standards which requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on the date of balance sheet and the reported amount of revenues and expenditures during the reporting period. The estimates and assumptions used in the Financial Statements are based upon Management's best evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Actual results may differ from those estimates.

### **2.3 Inventories**

Inventories are valued at cost after providing for obsolescence and other losses, where considered necessary and realizable value whichever is less. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

## **2.4 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term investments with an original maturity of three months or less. Earmarked balances with bank, margin money or security against borrowings, guarantees and other commitments ,if any shall be treated separately from cash and cash equivalent

## **2.5 Cash flow statement**

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

## **2.6 Depreciation and amortisation**

Depreciation has been provided as per the useful life of the respective asset by retaining 5% as residual value in accordance with the Schedule II to the Companies Act, 2013.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction and discardment as the case may be.

In case of items having value of Rs. 5,000/- or below that are acquired during the year are charged to profit & loss account at 100% in the year of purchase.

## **2.7 Revenue recognition**

### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax, value added tax and GST. The company follows the mercantile system of accounting and recognizes the income and expenditures on accrual basis except in case of significant uncertainties. Certain items of income such as insurance claim, market fees refund ,overdue interest from customers etc have been considered to the extent the amount is accepted by the parties

Domestic sales are recognized at the point of dispatches to customers.

Export Sales at the time of issue of Bill of Lading.

## **2.8 Other income**

Interest income is recognised on time proportion basis.

## **2.9 Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use, including borrowing cost till commencement of commercial production, net changes on foreign exchange contracts, if capitalization criteria are met. Capital work in progress is stated at cost. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use, as on the balance sheet date.

## **2.10 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

## **2.11 Foreign currency transactions and translations**

### Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

## **2.12 Government grants, subsidies and export incentives**

Export Incentive if any is accounted on accrual basis except Interest Subsidy which has been accounted for on receipt basis.

## **2.13 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

## **2.14 Employee benefits**

The Company has adopted the Accounting Standard 15- Employee Benefits prescribed under the Companies (Accounting Standards) Rules, 2006. Employee benefits include provident fund, bonus, superannuation fund, compensated absences, long service awards and post-employment medical benefits. The Company's obligation towards various employee benefits has been recognized as follows:

### **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are short-term employee benefits. Benefits such as salaries, wages and bonus wages, etc, are recognized in the Profit and Loss statement in the period in which the employee renders the related service.

### **Defined contribution plans**

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

## **2.15 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Borrowing cost attributable to the fixed assets during construction/ exploration, renovation and modernization are capitalized. Such borrowing costs are apportioned on the average balance of capital work in progress for the year. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## **2.16 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. However the company is currently dealing in only one primary segment..

## **2.17 Taxes on income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and are capable of reversal in one or more subsequent periods

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## **2.18 Impairment of assets**

The carrying values of assets / cash generating units are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

## **2.19 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



## **2.20 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## **2.21**

### **Leases**

#### **a) Finance lease**

- i) Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is less.
- ii) Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

#### **b) Operating lease**

- i) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Lease rent are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

## **2.22 Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## **2.23 The Previous Year figures have been regrouped/rearranged wherever necessary to make them comparable.**

## Notes forming part of Financial Statements

		Rs. In Lacs	
		As at 31 March, 2018	As at 31 March, 2017
<b>NOTE 3</b>			
<b>SHARE CAPITAL AUTHORISED</b>			
30,000,000 Equity shares of Rs 10 each with voting rights		3,000.00	3,000.00
(Previous Year 30,000,000 Equity shares of Rs 10 each with voting rights)			
<b>ISSUED SUBSCRIBED AND FULLY PAID UP</b>			
24,567,200 Equity shares of Rs 10 each with voting rights		2,456.72	1,810.00
(Previous Year 18,100,000 Equity Shares of Rs 10 each with voting rights)			
<b>Total</b>		<b>2,456.72</b>	<b>1,810.00</b>
<b>A) Reconciliation of number of equity shares outstanding</b>			
	<b>31st March 2018</b>	<b>31st March 2017</b>	
As at the beginning of the year	1,81,00,000	18,10,00,000	90,50,000
Add: Shares Issued during the year	64,67,200	6,46,72,000	-
Add: Bonus Shares Issued during the year	-	-	90,50,000
As at the end of the year	<b>2,45,67,200</b>	<b>24,56,72,000</b>	<b>1,81,00,000</b>
<b>Share holders having 5% or more Shares</b>			
	<b>31st March 2018</b>	<b>31st March 2017</b>	
<b>Name Of Shareholders</b>	<b>In Nos</b>	<b>In %</b>	<b>In Nos</b>
Rohit Gupta	1,80,88,800	73.63	1,80,89,800
Other Promotor group	11,000	0.04	10,200
Other Public	64,67,200	26.32	-
	<b>2,45,67,000</b>	<b>100.00</b>	<b>1,81,00,000</b>
<b>NOTE 4</b>			
<b>RESERVE AND SURPLUS</b>			
<b>General Reserve</b>			
Opening Balance		-	-
Transfer from Profit & Loss		52.78	-
		<b>52.78</b>	<b>-</b>
Share Premium		4,850.40	-
Less: IPO Expenses		(502.78)	-
		<b>4,347.62</b>	<b>-</b>
<b>Profit &amp; Loss A/c</b>			
Opening Balance		2,788.43	2,550.67
Add: Additions During the Year		1,055.54	1,156.97
Less: for Bonus Shares		-	(905.00)
Less: Transfer to General Reserve		(52.78)	-
Add: Prior period Adjustment (Income Tax)		(0.36)	(14.21)
		<b>3,790.83</b>	<b>2,788.43</b>
		<b>8,191.23</b>	<b>2,788.43</b>

## Notes forming part of Financial Statements

	Rs. In Lacs	
	As at 31 March, 2018	As at 31 March, 2017
<b>NOTE 5</b>		
<b>Long Term Liabilities</b>		
<b>From Banks</b>	-	-
	-	-
<b>NOTE 6</b>		
<b>Other long term liabilities</b>		
Car Loans	20.06	24.23
Less: Installment due within next 12 months	(9.56)	(9.56)
Sundry Creditors- Exceeding one year	-	96.13
	<b>10.50</b>	<b>110.80</b>
<b>NOTE 7</b>		
<b>Short Term Borrowings</b>		
Cash Credit from Banks	5,545.38	6,804.08
Others	473.06	607.21
	<b>6,018.44</b>	<b>7,411.28</b>
<b>NOTE 8</b>		
<b>Trade payables</b>		
Sundry Creditors for Trade	1,720.64	2,762.13
	<b>1,720.64</b>	<b>2,762.13</b>
<b>NOTE 9</b>		
<b>Other current liabilities</b>		
Statutory Liabilities:	31.85	20.03
Loan from Bank due in next 12 months	9.56	9.56
Expenses payable	60.14	80.77
Other current liabilities	103.70	127.96
	<b>205.26</b>	<b>238.32</b>
<b>NOTE 10</b>		
<b>Short Term Provisions</b>		
Provision for Taxation	43.72	159.13
	<b>43.72</b>	<b>159.13</b>

	As at 31 March, 2018	As at 31 March, 2017
<b>NOTE 12</b>		
<b>Other Non Current Assets</b>		
Investment in Shares of HBOFPL	5.00	-
Investment in Shares of Sarveshwar Overseas Ltd.,	1,485.00	1,485.00
Investment in Shares of Natural Global Foods DMCC	8.71	-
Advance to Creditors	-	372.61
	<b>1,498.71</b>	<b>1,857.61</b>
<b>NOTE 13</b>		
<b>INVENTORIES</b>		
Raw Material	9,631.30	3,625.64
Finished goods	2,681.19	5,565.74
	<b>12,312.49</b>	<b>9,191.38</b>
<b>NOTE 14</b>		
<b>TRADE RECEIVABLES</b>		
<b>Over Six Months</b>		
Unsecured Considered Good	504.62	1,394.66
<b>Others</b>		
Unsecured Considered Good	2,714.62	2,525.59
	<b>3,219.24</b>	<b>3,920.25</b>
<b>NOTE 15</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	7.75	4.31
Imprest	5.95	-
Balance with Banks	1,603.59	13.55
	<b>1,617.30</b>	<b>17.86</b>
<b>NOTE 16</b>		
<b>Other Current assets</b>		
Interest Accrued but not due	5.99	6.41
Loans & Advances	21.05	-
Prepaid Expenses	7.62	2.43
TDS Receivable	0.04	-
GST Receivable	85.72	-
Security Deposits	78.88	45.52
	<b>199.29</b>	<b>54.37</b>

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>NOTE 17</b>		
<b>Revenue from operations</b>		
Sale of products (Net)	21,673.70	20,760.26
	<b>21,673.70</b>	<b>20,760.26</b>
<b>NOTE 18</b>		
<b>Other Income</b>		
Foreign Exchange Fluctuations	8.05	9.68
Discount Received	9.15	-
Duty Drawback	0.85	-
Interest on FDR	0.11	1.23
Interest Subsidy	69.20	-
Shortage /Excess	13.85	10.07
Miscellaneous income	15.86	-
Insurance Claim	0.01	-
Unclaimed Liability	7.31	9.28
Profit on Sale of Asset	2.07	-
Vat Remission	-	0.53
	<b>126.46</b>	<b>30.79</b>
<b>NOTE 19</b>		
<b>MATERIAL CONSUMED</b>		
<b>Raw Materials' Consumption</b>		
Opening Stock	5,565.74	6,224.38
Add: Purchases	10,076.72	9,496.63
Add: Freight Inward	33.06	89.40
Add: Packing Material Purchase	276.72	317.88
Less : Closing Stock	(2,681.19)	(5,565.74)
	<b>13,271.04</b>	<b>10,562.54</b>
<b>NOTE 20</b>		
<b>INCREASE /(DECREASE ) &amp; FINISHED GOODS</b>		
Opening Stock of Finished Goods	3,625.64	1,975.69
Closing Stock of Finished Goods	9,631.30	3,625.64
	<b>6,005.65</b>	<b>1,649.95</b>



	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>NOTE 21</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Administration Charges (PF)	0.48	0.49
Bonus	2.53	4.40
Director Salary	30.00	30.00
Employees Deposit Linked Insurance (PF)	0.48	0.42
Contribution for Gratuity & Pension	-	0.09
Contribution for Group Insurance	-	0.07
Incentive to Staff	-	0.55
Employees State Insurance (Employer)	1.24	0.72
Employer Contribution to PF	5.20	4.92
Training expenses	-	0.02
Medical Expenses	0.10	0.14
Salaries	155.81	197.23
Staff Welfare	10.14	9.21
	<b>205.97</b>	<b>248.26</b>

**NOTE 22****Financial costs**

Bank Interest	701.14	803.46
Bank Charges	4.40	14.29
Other Interests	1.29	1.29
	<b>706.83</b>	<b>819.04</b>

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>NOTE 23</b>		
<b>Other expenses</b>		
Repair & Maintainance	14.32	34.65
Electricity Charges	24.27	36.73
Non-Refundable Purchase Tax	-	3.40
Wages & Labour Charges	174.04	189.56
Consumables	5.89	1.43
Interest on Paddy	-	11.28
Market Committee Fee	-	11.47
Rate Diff Paddy	19.02	31.45
Pest Control Service Charges	4.74	25.13
Dammi	-	6.58
Job Work	15.23	21.36
Toll Tax	1.48	0.90
Other Expenses	1.04	-
Clearing & Handling Charges	22.08	-
Expenses GST	85.93	-
Agricultural Development Expenses	1.57	-
Business Promotion	30.04	51.40
Advertisement Expenses	4.11	6.79
Communication Charges	8.88	12.22
Conveyance & Travelling	57.62	39.96
Postage & Courier	0.85	4.32
Printing & Stationery	5.83	5.49
Rent rates & Taxes	135.31	133.27
Professional Fees	32.41	31.53
Audit fee	2.25	5.31
Repair & Maintainance	28.83	20.95
Insurance	15.45	22.32
Misc Expenses	47.39	52.18
Prior Period Expense	30.26	1.40
CSR Expenses	2.78	32.80
Brokerage & Commission	11.07	31.60
Clearing & Handling Charges	42.20	93.53
Freight & transportation	205.89	204.60
Business Promotion & Marketing	43.56	111.22
	<b>1,074.31</b>	<b>1,234.84</b>

## Notes forming part of Financial Statements

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>NOTE 24</b>		
<b>Earning Per Share</b>		
a) Profit for the year (Rs. In lakhs)	1,055.54	1,156.97
No of Shares at beginning	1,81,00,000	90,50,000
No of Shares at end	2,45,67,200	1,81,00,000
b) Weighted average no. of equity shares outstanding	1,84,01,212	1,81,00,000
c) Earning per share on profit for the year		
Basic (in Rs)	5.74	6.39
Diluted (in Rs)	5.74	6.39

### Depreciation Chart for the Year ending on 31.03.2018

(As per Companies Act 2013)

#### 11. Tangible Assets

Rs in Lakhs

Assets	WDV as at 01.04.2017	Additions for the Period	Transfer / Sale during the period	Total	Rate of Depreciation	Depreciation on Op WDV	Depreciation on Additions	Dep on Transfer / Sale during the period	Depreciation for the Period	WDV as at 31.03.2018
Land	14.07	-	-	14.07	-	-	-	-	-	14.07
Building	200.66	12.78	-	213.44	0.10	19.07	0.69	-	19.76	193.68
Plant & Machinery	184.85	12.42	5.92	191.34	0.18	33.46	0.54	0.09	33.92	157.42
Furniture & Fixture	6.71	6.26	3.00	9.97	0.26	1.74	0.25	0.06	1.92	8.05
Electrical Installation	8.27	0.37	1.20	7.44	0.26	2.14	(0.13)	0.03	1.98	5.46
Lab Equipmtns	1.57	-	-	1.57	0.26	0.41	-	-	0.41	1.16
Vehicles	72.07	4.08	-	76.14	1.25	20.01	0.53	-	20.54	55.60
Computer	5.31	3.33	-	8.64	0.63	3.36	1.28	-	4.63	4.01
Office Equipments	21.40	1.91	0.29	23.02	11.32	6.65	0.30	0.01	6.94	16.08
Total	514.91	41.14	10.42	545.64	14.25	86.84	3.45	0.19	90.10	455.53

## Notes forming part of Financial Statements

### 25 Related party disclosures:

#### Nature and name of related parties

##### Holding Company

NIL

##### Key Management Person

Rohit Gupta

##### Relative of Key Management Person

Suraj Prakash Gupta

Radha Rani

Pooja Gupta

##### Associate Concerns

Sarveshwar Logistics

Radhika Overseas

Sarveshwar International

Himalayan Ancient Foods P Ltd

Radhika Pest Control

##### Subsidiary Companies

Sarveshwar Overseas Ltd

Himalayan Bio Organic foods p Ltd

Natural Global Food DMCC

##### Enterprises Owned or controlled by Key Management

##### Personnel or their relatives

Shree Jee Trading

##### Joint Ventures

NIL

#### Transactions with related parties during the year:

(Rs. In Lakhs)

Name of related party	Nature of transaction	Transaction during the year	
		31st March 2018	31st March 2017
Rohit Gupta	Rent	72.00	72.00
Rohit Gupta	Salary	30.00	30.00
Sarveshwar Logistics	Freight	62.76	50.37
Suraj Prakash Gupta	Rent	12.00	12.00
Radha Rani	Rent	30.00	30.00
Himalayan Bio Organic Foods P Ltd	Purchases	668.08	-
Himalayan Bio Organic Foods P Ltd	Sales	2,553.00	-
Sarveshwar International	Sales	164.95	-
Sarveshwar Overseas Ltd	Purchases	1,078.52	-
Radhika Overseas	Purchases	-	57.52
Pooja Gupta	Rent	3.00	12.00

#### Outstanding with related parties as at balance sheet date:

(Rs. In Lakhs)

Name of related party	Nature of transaction	Closing Balance	
		31st March 2018	31st March 2017
Sarveshwar International	Sales	32.87	(88.28)
Himalayan Bio Organic Foods P Ltd	Purchases	2,029.45	1.20
Sarveshwar Overseas Ltd	Purchases	59.53	(31.68)
Radhika Overseas	Purchases	-	(43.10)
Rohit Gupta	Salary	-	(9.00)
Rohit Gupta	Rent	-	(26.80)
Radha Rani	Rent	-	(7.29)
Pooja Gupta	Rent	-	(5.27)



## Notes forming part of Financial Statements

### 26 Expenditure and earnings in foreign currency (on accrual basis)

(Rs. In Lakhs)

Particulars	31st March 2018	31st March 2017
Expenditure		
Trade fair	4.71	-
Professional fee	0.41	-
Registration Fee	2.78	-
Commission on Exports	5.16	14.91
Earnings		
Sale of finished goods	2,692.16	3,876.64

27 The Company does not have any operating Lease

### 28 Unhedged foreign currency exposures as at the balance sheet date

(Rs. In Lakhs)

Particulars	31st March 2018				31st March 2017			
	in USD	in JPY	Exchange rate	in ₹	in USD	in JPY	Exchange rate	in ₹
NIL				-				-

29 The balances of receivables, payables, security deposit given are subject to confirmation & reconciliation, if any.

### 30 Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service.

The principle assumptions in determining the obligation for the Company's plan are shown below:

(Rs. In Lakhs)

Particulars	31st March 2018	31st March 2017
Monthly rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal rate	1% to 3% Depending on Age	1% to 3% Depending on Age
Discount rate	7.5	8
Future Salary Increase	7	7

Results of Valuation

(Rs. In Lakhs)

Particulars	31st March 2018	31st March 2017
PV of Past Service Benefit	15.56	7.95
Current Service Cost	1.76	1.37
Total Service Gratuity	67.59	63.64
Accrued Gratuity	17.69	12.98
LCSA	37.59	40.85
LC Premium	0.11	0.09
Accrued Liability	0.02	NA

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Notes forming part of Financial Statements

31 Details of secured short term borrowings as on March 31, 2018

(Rs. In Lakhs)

Name of the lenders	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Lakhs	Tenure	Outstanding Loan as on 31st March 2018 in INR in Lakhs	Security as per the loan agreement
J&K Bank	CC	MCLR+ 1%	INR	7500	Renewal Done Every Year	4967.10	Various Immovable Propertires and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	Libor + 2%	USD		Renewal Done Every Year	519.13	Various Immovable Propertires and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	Libor + 2%	USD		Renewal Done Every Year	0.00	Various Immovable Propertires and Stocks & Debtors
J&K Bank PSL 004	LC /NON LC BACKED	7.45% & Libor + 2%	INR/USD		Renewal Done Every Year	60.30	Various Immovable Propertires and Stocks & Debtors
State bank of patiala	Pledge Limits	10.65%	INR	2500	Renewal Done Every Year	-1.15	Various Immovable Propertires and Stocks & Debtors
Oriental Bank Pledge Account	Pledge Limits	MCLR+ 1%	INR	500		473.06	Various Immovable Propertires and Stocks & Debtors
<b>Total</b>				<b>10,500.00</b>		<b>6,018.44</b>	

32 The Company has reclassified previous year figures to conform with this year's classification.

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**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**

**Rohit Gupta**  
**Managing Director**  
**DIN:02715232**

**Anil Sharma**  
**Director**  
**DIN:07417538**

Place: New Delhi  
Date: 26.05.2018

Place: Jammu  
Date: 26.05.2018

Place: Jammu  
Date: 26.05.2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARVESHWAR FOODS LIMITED**

### **1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **SARVESHWAR FOODS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **2. Management's Responsibility for the Standalone Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Directors of the Holding Company, as aforesaid.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our

audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **4. Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, their consolidated profit and their consolidated cash flows for the year ended on that date.

### **5. Other matters**

We did not audit the financial statement of one subsidiary included in the consolidated financial statement, whose annual financial statements reflect total asset of Rs. 37.84 crores as at 31st March 2018 and the total revenue of Rs. 37.36 crores for the year ended 31st March 2018. This financial statements have been audited by other auditors whose reports

have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

## **6. 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the director is disqualified as on 31st March, 2018 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's / subsidiaries companies internal financial controls over financial reporting.

(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. There are no pending litigations on the consolidated financial position of the Group;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

**For KRA & Co.**  
**Chartered Accountants**  
**(Firm Registration No.020266N)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**

**Place: New Delhi**  
**Date: 26.05.2018**

## **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 the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **SARVESHWAR FOODS LIMITED** (hereinafter referred to as “Holding Company”) as at March 31, 2018, and its subsidiary companies which are companies incorporated in India, as of that date.

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

The Board of Directors of the Holding company and subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 (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 its business, including adherence to the respective 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 internal financial controls over financial reporting of the Holding company and subsidiary companies, which are companies incorporated in India, 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 the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Holding Company and subsidiary companies, which are companies incorporated in India, have, 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, 2018, based on the internal control over financial reporting criteria established by the respective companies 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)**

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**

**Place: New Delhi**  
**Date: 26.05.2018**



**Consolidated Balance Sheet as at March 31' 2018**

	Note No.	(Rs. In Lakhs) As at March 31, 2018	(Rs. In Lakhs) As at March 31, 2017
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital			
Equity Share capital	3	2,456.72	1,810.00
Preference Share Capital		2,200.00	2,200.00
Reserves and surplus	4	8,981.31	2,987.12
Minority Interest		18.77	16.93
		<b>13,656.80</b>	<b>7,014.05</b>
<b>Non current liabilities</b>			
Long term borrowings	5	101.88	360.11
Other Non Current Liabilities	6	-	199.59
		<b>101.88</b>	<b>559.69</b>
<b>Current liabilities</b>			
Short term borrowings	7	17,811.58	17,537.35
Trade payables	8	9,669.32	6,270.44
Short term provisions	9	118.99	184.79
Other current liabilities	10	710.50	935.21
		<b>28,310.39</b>	<b>24,927.79</b>
		<b>42,069.07</b>	<b>32,501.53</b>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
(i) Tangible assets	11	2,366.87	2,512.63
(ii) Capital Work in Progress		-	9.90
Other Non- Current Assets	12	-	820.00
		<b>2,366.87</b>	<b>3,342.53</b>
<b>Deferred Tax Assets (Net)</b>		<b>32.61</b>	<b>30.23</b>
<b>Current assets</b>			
Inventories	13	27,988.91	22,371.07
Trade receivables	14	9,753.12	6,595.65
Cash and bank balances	15	1,648.54	23.86
Short-term loans and advances	16	279.01	138.19
		<b>39,669.59</b>	<b>29,128.77</b>
		<b>42,069.07</b>	<b>32,501.53</b>
Significant Accounting policies & Notes forming part of Financial Statements	1-32		

As per our report of even date

**For K R A & Co**  
**Firm Registration No: 020266N**  
**Chartered**

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

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**

**Rohit Gupta**  
**Managing Director**  
**DIN:02715232**

**Anil Sharma**  
**Director**  
**DIN:07417538**

Place: New Delhi  
Date: 26.05.2018

Place: Jammu  
Date: 26.05.2018

Place: Jammu  
Date: 26.05.2018

## Consolidated Statement of Profit and Loss for the year ended March 31, 2018

	Notes	(Rs.in Lakhs) For the year ended March 31, 2018	(Rs.in Lakhs) For the year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	17	48,127.02	41,784.53
Other income	18	290.49	204.41
		<b>48,417.51</b>	<b>41,988.93</b>
<b>EXPENDITURE</b>			
Raw materials consumed	19	20,843.74	24,211.37
Purchases		21,992.08	18,548.87
Decrease in inventories of semi finished and finished goods	20	(1,156.63)	(7,029.87)
Employee benefits expenses	21	348.87	396.85
Operating and other expenses	22	1,939.74	1,955.99
Depreciation expenses	32	253.02	270.57
Finance cost	23	2,022.54	1,872.73
		<b>46,243.35</b>	<b>40,226.51</b>
<b>Profit/(Loss) before tax</b>		<b>2,174.16</b>	<b>1,762.42</b>
(a) Current Tax		523.99	489.34
(b) Deferred Tax		(2.38)	(7.81)
		521.61	481.52
<b>Profit / (loss) for the year</b>		<b>1,652.55</b>	<b>1,280.89</b>
<b>Profit Attributable to:</b>			
Minorities		1.84	1.24
Owners of the Company		1,650.70	1,279.65
Earnings per equity share	24	8.98	7.08
Basic and diluted annualised		8.98	7.08
Significant Accounting policies & Notes forming part of Financial Statements	1-32		
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**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**

**Rohit Gupta**  
**Managing Director**  
**DIN:02715232**

**Anil Sharma**  
**Director**  
**DIN:07417538**

Place: New Delhi  
Date: 26.05.2018

Place: Jammu  
Date: 26.05.2018

Place: Jammu  
Date: 26.05.2018

## Consolidated Cash Flow Statement as at March 31, 2018

	(Rs.in Lakhs) For the year ended March 31, 2018	(Rs.in Lakhs) For the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
<b>Profit Before tax</b>	<b>2,174.16</b>	<b>1,762.42</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Prior Period Items	-	-
Depreciation / amortization expenses	253.02	270.57
Profit on sale of fixed assets	(2.07)	-
Foreign Subsidiary Conversion Difference	(4.13)	-
Interest income	(2.25)	(5.45)
Unrealized foreign exchange loss/ gain	(14.59)	(28.10)
Interest on loan	2,016.23	1,872.73
<b>Operating profit before working capital changes</b>	<b>4,420.37</b>	<b>3,872.17</b>
<b>Movements in working capital :</b>		
Increase / (Decrease) in other liabilities	(224.71)	149.99
Increase / (Decrease) in Trade Payable	3,398.88	2,723.54
(Increase)/ Decrease in trade receivable	(3,157.47)	1,910.45
Decrease/(Increase) in Inventory	(5,617.84)	(6,046.88)
Decrease/ (Increase) in other current assets	(140.82)	4.94
<b>Net cash flow (used in) operations</b>	<b>(1,321.60)</b>	<b>2,614.21</b>
Less: Direct taxes paid	(589.79)	(366.03)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(1,911.39)</b>	<b>2,248.18</b>
<b>Cash flows from investing activities</b>		
Decrease/ (Increase) in other non-current assets	820.00	(820.00)
Purchase of fixed assets	(106.60)	(71.17)
Sale of Fixed Assets	11.32	-
Interest received	2.25	5.45
<b>Net cash flow (used in)/ generated from investing activities (B)</b>	<b>726.96</b>	<b>(885.72)</b>
<b>Cash flows from financing activities</b>		
Other Non- Current Liabilities	(199.59)	119.80
Proceeds from Share Issued (Net)	4,994.34	-
Proceeds/ repayments from/ of borrowings	(258.23)	(475.20)
Increase / (Decrease) in Short Term Borrowings	274.23	691.24
Foreign Exchange Gain	14.59	28.10
Interest on loan	(2,016.23)	(1,872.73)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>2,809.11</b>	<b>(1,508.79)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>1,624.68</b>	<b>(146.33)</b>
Cash and cash equivalents at the beginning of the year	23.86	149.72
<b>Cash and cash equivalents at the end of the year</b>	<b>1,648.54</b>	<b>3.40</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	24.17	8.53
Balance with banks	1,624.38	15.33
<b>Total cash and cash equivalents (note 14)</b>	<b>1,648.54</b>	<b>23.86</b>

As per our report of even date

**For K R A & Co**  
Firm Registration No: 020266N  
Chartered Accountants

**Rajat Goyal**  
Partner  
Membership No. 503150

Place: New Delhi  
Date: 26.05.2018

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

**Rohit Gupta**  
Managing Director  
DIN:02715232

Place: Jammu  
Date: 26.05.2018

**Anil Sharma**  
Director  
DIN:07417538

Place: Jammu  
Date: 26.05.2018

**1 Corporate information**

Sarveshwar Foods Limited is engaged in Manufacturing, Trading and Export of Basmati rice, which is a long grain with a fine texture. It is one of the most expensive rice varieties in the world. It has strong aroma in raw and cooked forms, and its longer size differentiates it from non-basmati variants. The word basmati means the 'queen of fragrance' or the 'perfumed one'. The rice's perfumed, nut-like flavour and aroma are its innate characteristics, which get enhanced with age. Therefore, basmati rice, which is available in both white and brown forms, needs to be matured for at least 6-8 months to be marketable. The company having its registered office at "SARVESHWAR HOUSE, BELOW GUMAT, JAMMU, JAMMU AND KASHMIR JK 180001 IN" is a listed public limited company.

Company was originally incorporated as a private limited company, at Jammu and Kashmir, India under the Companies Act, 1956 in the name of Sarveshwar Overseas Private Limited vide Certificate of Incorporation dated August 3, 2004. Fresh Certificate of Incorporation dated April 13, 2010 was issued to the Company pursuant to change of name of our Company to Sarveshwar Organic Foods Private Limited. Subsequently, fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated June 29, 2010 was issued by RoC, Jammu and Kashmir. Further, the name of our Company was changed to Sarveshwar Foods Limited pursuant to which, our Company has received a fresh Certificate of Incorporation dated June 29, 2015. 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. Currently owned and managed by the fourth generation of the family and supported by a team of able professionals, the company is run bearing in mind the vision of the current chairman who gave it a new direction.

**2 Basis of Preparation of financial statements(Significant Accounting Policies & other explanatory Notes)**

**2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

**2.2 Use of estimates**

The preparation of financial statements are in conformity with the Accounting Standards which requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as on the date of balance sheet and the reported amount of revenues and expenditures during the reporting period. The estimates and assumptions used in the Financial Statements are based upon Management's best evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Examples of such estimates include useful life of fixed assets, creation of deferred tax asset, lease rentals and write off of deferred revenue expenditure. Actual results may differ from those estimates.

**2.3 Inventories**

Inventories are valued at cost after providing for obsolescence and other losses, where considered necessary and realizable value whichever is less. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

**2.4 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term investments with an original maturity of three months or less. Earmarked balances with bank, margin money or security against borrowings, guarantees and other commitments, if any shall be treated separately from cash and cash equivalent

**2.5 Cash flow statement**

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

**2.6 Depreciation and amortisation**

Depreciation has been provided as per the useful life of the respective asset by retaining 5% as residual value in accordance with the Schedule II to the Companies Act, 2013.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are acquired/installed. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction and discardment as the case may be.

In case of items having value of Rs. 5,000/- or below that are acquired during the year are charged to profit & loss account at 100% in the year of purchase.

**2.7 Revenue recognition**

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax, value added tax and GST. The company follows the mercantile system of accounting and recognizes the income and expenditures on accrual basis except in case of significant uncertainties. Certain items of income such as insurance claim, market fees refund, overdue interest from customers etc have been considered to the extent the amount is accepted by the parties

Domestic sales are recognized at the point of dispatches to customers.  
Export Sales at the time of issue of Bill of Lading.

**2.8 Other income**

Interest income is recognised on time proportion basis.

**2.9 Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. All costs, including borrowing cost till commencement of commercial production, net changes on foreign exchange contracts, if capitalization criteria are met. Capital work in progress is stated at cost. Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use, as on the balance sheet date.

**2.10 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**2.11 Foreign currency transactions and translations**

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

## Consolidated Notes to Accounts as on March 31' 2018

### Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

### **2.12 Government grants, subsidies and export incentives**

Export Incentive if any is accounted on accrual basis except Interest Subsidy which has been accounted for on receipt basis.

### **2.13 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

### **2.14 Employee benefits**

The Company has adopted the Accounting Standard 15- Employee Benefits prescribed under the Companies (Accounting Standards) Rules, 2006. Employee benefits include provident fund, bonus, superannuation fund, compensated absences, long service awards and post-employment medical benefits. The Company's obligation towards various employee benefits has been recognized as follows:

#### **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are short-term employee benefits. Benefits such as salaries, wages and bonus wages, etc, are recognized in the Profit and Loss statement in the period in which the employee renders the related service.

#### **Defined contribution plans**

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

### **2.15 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Borrowing cost attributable to the fixed assets during construction/ exploration, renovation and modernization are capitalized. Such borrowing costs are apportioned on the average balance of capital work in progress for the year. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### **2.16 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. However the company is currently dealing in only one primary segment..

### **2.17 Taxes on income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income that originates in one period and are capable of reversal in one or more subsequent periods



## Consolidated Notes to Accounts as on March 31' 2018

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### 2.18 Impairment of assets

The carrying values of assets / cash generating units are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### 2.19 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### 2.21 Leases

#### a) Finance lease

- i) Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is less.
- ii) Lease payments are apportioned between the finance charges and outstanding liability in respect of assets taken on lease.

#### b) Operating lease

- i) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Lease rent are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

### 2.22 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### 2.23 The figures have been regrouped/rearranged wherever necessary to make them comparable.

Consolidated Notes to Accounts as on March 31' 2018

	(Rs. In Lakhs) As at 31-Mar-18	(Rs. In Lakhs) As at 31-Mar-17
<b>3 Share capital</b>		
<b>Authorized capital</b>		
3,00,00,000 ( previous year 3,00,00,000) equity shares of Rs. 10 each	3,000.00	3,000.00
220,000 Preference Shares (Previous Year 220,000) of Rs. 1000 each fully paid up	2,200.00	2,200.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, subscribed and paid up capital</b>		
1,81,00,000 (previous year 1,81,00,000) equity shares of Rs.10 each fully paid up.	2,456.72	1,810.00
220,000 Preference Shares (Previous Year 220,000) of Rs. 1000 each fully paid up	2,200.00	2,200.00
	<b>4,656.72</b>	<b>4,010.00</b>

**Reconciliation for the number of the equity shares:**

	No. of shares	No. of shares
<b>Equity Shares</b>		
At the beginning of the year	1,81,00,000	90,50,000
Bonus Issue	-	90,50,000
Shares Issued during the year	64,67,200	-
<b>Outstanding at the end of the year</b>	<b>2,45,67,200</b>	<b>1,81,00,000</b>

**Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

**List of shareholders holding more than Five percent of equity shares:**

	As at March 31, 2018		As at 31-Mar-17	
	Nos.	%	Nos.	%
<b>Equity shares of Rs. 10/- each</b>				
Rohit Gupta	18088800	73.63	1,80,89,800.00	99.94

**Reconciliation for the number of the preference shares:**

	No. of shares	No. of shares
<b>Preference Shares</b>		
At the beginning of the year	2,20,000	2,20,000
Shares Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>2,20,000</b>	<b>2,20,000</b>

# Consolidated Notes to Accounts as on March 31' 2018

## List of shareholders holding more than Five percent of Preference shares:

	As at		As at	
	March 31, 2018		March 31, 2017	
	Nos.	%	Nos.	%
<b>Preference shares of Rs. 1000/- each</b>				
Rohit Gupta	2,20,000	100.00	2,20,000	100.00

	(Rs. In Lakhs)		(Rs. In Lakhs)	
	As at		As at	
	31-Mar-18		31-Mar-17	
<b>4 Reserves and surplus</b>				
Balance as per last financial statements		2,987.12		2,618.73
Add: Profit for the Year		1,650.70		1,279.65
Less: Bonus Share Issued		-		(905.00)
Less: Transfer to General Reserve		(52.78)		-
Less: Prior Period Adjustments		-		(6.26)
<b>Foreign Subsidiary Conversion Difference</b>		(4.13)		-
		<b>4,580.91</b>		<b>2,987.12</b>

## General Reserve

Balance as per last financial statements	-	-
Add: Transfer from Reserves & Surplus	52.78	-
	<b>52.78</b>	<b>-</b>

## Securities premium

Balance as per last financial statements		-
Add: Securities premium received during the year	4,850.40	-
Less: IPO Expenses	(502.78)	-
	<b>4,347.62</b>	<b>-</b>
	<b>8,981.31</b>	<b>2,987.12</b>

## Consolidated Notes to Accounts as on March 31' 2018

	(Rs. In Lakhs) As at 31-Mar-18	(Rs. In Lakhs) As at 31-Mar-17
<b>5 Long term borrowings</b>		
Secured Loan From Bank	20.06	281.38
Less: Instalment Due within next 12 months	(9.56)	(9.56)
<b>Unsecured Loan</b>		
From Directors	91.38	88.29
	<b>101.88</b>	<b>360.11</b>
<b>6 Other Non Current Liabilities</b>		
Sundry Creditors exceeding one year	-	199.59
	<b>-</b>	<b>199.59</b>
<b>7 Short term borrowings</b>		
Cash Credit	15,153.97	16,222.75
Others	2,657.61	1,314.59
	<b>17,811.58</b>	<b>17,537.35</b>
<b>8 Trade payables</b>		
Trade payables		
- total outstanding dues of micro and small enterprises	1,425.24	344.51
- total outstanding dues of creditors other than micro and small enterprises	8,244.08	5,925.94
	<b>9,669.32</b>	<b>6,270.44</b>
<b>9 Short term provisions</b>		
Provision for Taxation	118.99	184.79
	<b>118.99</b>	<b>184.79</b>
<b>10 Other current liabilities</b>		
Statutory liabilities	54.73	30.57
Loan from Bank due in next 12 months	266.71	439.76
Expense Payable	162.48	464.88
Other current liabilities	226.58	-
	<b>710.50</b>	<b>935.21</b>
<b>12 Other Non- Current Assets</b>		
Advance to Creditors	-	820.00
	<b>-</b>	<b>820.00</b>
<b>13 Inventories</b>		
Raw materials	10,952.29	7,134.70
Finished Goods	17,036.62	15,236.36
	<b>27,988.91</b>	<b>22,371.07</b>

## Consolidated Notes to Accounts as on March 31' 2018

	(Rs. In Lakhs) As at 31-Mar-18	(Rs. In Lakhs) As at 31-Mar-17
<b>14 Trade receivables</b>		
Outstanding for period exceeding 6 months from date they are due		
Unsecured, Considered good	629.07	3,148.16
Other receivables		
Unsecured, Considered good	9,124.05	3,447.49
	<b>9,753.12</b>	<b>6,595.65</b>
<b>15 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	24.17	8.53
Balances with scheduled banks on current accounts	1,624.38	15.33
	<b>1,648.54</b>	<b>23.86</b>
<b>Other bank balances</b>		
deposits with original maturity of more than three months	-	-
	<b>1,648.54</b>	<b>23.86</b>
<b>16 Short-term loans and advances</b>		
Prepaid Expenses	13.91	4.20
Interest Accrued but not Due	5.99	6.41
Loan and Advances	13.22	0.14
Prepaid Fees and Taxes	101.06	2.46
Security Deposit	144.82	124.98
	<b>279.01</b>	<b>138.19</b>

Consolidated Notes to Accounts as on March 31' 2018

11. Tangible assets

(Rs. In Lakhs)

	Land	Building	Plant & Machinery	Office Equipments	Furniture & Fixture	Electrical Installation	Lab Equipmnets	Vehicles	Computer	Total
<b>Gross block</b>										
As at April 1, 2016	867.43	1,110.50	1,176.05	90.53	23.51	-	-	93.51	16.49	3,378.03
Additions		7.47	15.51	5.26	2.53			29.44	1.05	61.27
Disposals										-
<b>At March 31, 2017</b>	<b>867.43</b>	<b>1,117.97</b>	<b>1,191.56</b>	<b>95.80</b>	<b>26.04</b>	<b>-</b>	<b>-</b>	<b>122.96</b>	<b>17.54</b>	<b>3,439.30</b>
<b>Additions</b>	-	27.68	48.87	8.37	19.95	1.61	-	4.08	6.53	117.09
<b>Disposals</b>			7.13	0.29	2.41					9.83
<b>At March 31, 2018</b>	<b>867.43</b>	<b>1,145.65</b>	<b>1,233.31</b>	<b>103.87</b>	<b>43.58</b>	<b>1.61</b>	<b>-</b>	<b>127.03</b>	<b>24.07</b>	<b>3,546.56</b>
<b>Depreciation</b>										
As at April 1, 2016	(44.91)	178.14	416.04	36.90	14.18	-	-	47.33	8.42	656.10
Charge for the year		83.56	144.10	15.79	3.81			19.46	3.85	270.57
Disposals										-
<b>At March 31, 2017</b>	<b>(44.91)</b>	<b>261.71</b>	<b>560.15</b>	<b>52.69</b>	<b>17.98</b>	<b>-</b>	<b>-</b>	<b>66.79</b>	<b>12.27</b>	<b>926.67</b>
<b>Charge for the year</b>	-	76.59	126.63	16.16	5.43	0.24	-	21.27	6.89	253.21
<b>Disposals</b>			0.12	0.01	0.06					0.19
<b>At March 31, 2018</b>	<b>(44.91)</b>	<b>338.30</b>	<b>686.66</b>	<b>68.84</b>	<b>23.35</b>	<b>0.24</b>	<b>-</b>	<b>88.06</b>	<b>19.16</b>	<b>1,179.69</b>
<b>Net block</b>										
<b>At March 31, 2017</b>	<b>912.35</b>	<b>856.26</b>	<b>631.41</b>	<b>43.11</b>	<b>8.06</b>	<b>-</b>	<b>-</b>	<b>56.16</b>	<b>5.28</b>	<b>2,512.63</b>
<b>At March 31, 2018</b>	<b>912.35</b>	<b>807.35</b>	<b>546.65</b>	<b>35.03</b>	<b>20.23</b>	<b>1.38</b>	<b>-</b>	<b>38.97</b>	<b>4.91</b>	<b>2,366.87</b>



## Consolidated Notes to Accounts as on March 31' 2018

	For the year ended (Rs. In Lakhs) March 31, 2018	For the year ended (Rs. In Lakhs) March 31, 2017
<b>17 Revenue from operations</b>		
Sale of goods	48,127.02	41,784.53
	<b>48,127.02</b>	<b>41,784.53</b>
<b>18 Other income</b>		
Discount Received	30.11	-
Income from Agriculture Development Work	-	9.79
Interest Subsidy	176.10	-
Misc. Income	17.58	136.63
Foreign exchange gain	14.59	28.10
Unclaimed Liability	33.62	14.37
Short and Excess	14.18	10.07
Profit on sale of assets	2.07	-
Interest on bank deposits	2.25	5.45
	<b>290.49</b>	<b>204.41</b>
<b>19 Raw materials consumed</b>		
Opening stock	7,134.70	7,699.99
Purchases	24,133.54	41,594.03
Packing Material Purchased	397.63	443.21
Freight Inward	130.16	157.71
	31,796.03	49,894.94
Less: Closing stock	10,952.29	7,134.70
	<b>20,843.74</b>	<b>42,760.24</b>
<b>20 (Increase)/ decrease in inventories of finished and semi finished goods</b>		
Opening stock	15,879.98	8,206.49
Closing stock	17,036.62	15,236.36
	<b>(1,156.63)</b>	<b>(7,029.87)</b>
<b>21 Employee benefits expenses</b>		
Administration Charges (PF)	1.06	0.79
Bonus	4.32	6.72
Director Salary	30.00	30.00
Employees Deposit Linked Insurance (PF)	0.59	0.67
Contribution for Gratuity & Pension	1.46	0.49
Contribution for Group Insurance	-	0.10
Incentive to Staff	0.04	0.63
Employees State Insurance (Employer)	2.11	1.13
Employer Contribution to PF	8.97	7.97
Training expenses	-	0.98
Medical Expenses	0.12	0.21
Salaries	284.78	328.91
Staff welfare expenses	15.41	18.26
	<b>348.87</b>	<b>396.85</b>

## Consolidated Notes to Accounts as on March 31' 2018

	For the year ended (Rs. In Lakhs) March 31, 2018	For the year ended (Rs. In Lakhs) March 31, 2017
<b>22 Other expenses</b>		
Fumigation expense	0.40	-
Interest on paddy	5.34	-
Pest control service charges	12.74	38.64
Repair & Maintenance	86.13	92.76
Consumables	12.02	3.60
Electricity Charges	111.54	111.14
Excess & Shortage	-	(0.74)
Toll Tax	1.84	-
Job Work	37.95	102.67
Rate Difference Paddy	52.61	43.62
Wages	385.14	378.18
Other Expenses	1.04	16.69
Clearing & Handling Charges	22.08	117.72
Expenses GST	85.93	-
Agricultural Development Expenses	1.57	-
Business Promotion	43.00	53.73
Audit fee	7.37	13.43
Brokerage & Commission	37.79	41.17
Business Promotion & Marketing	105.33	95.65
Clearing & Handling Charges	53.97	-
Communication Charges	16.94	31.01
Conveyance & Travelling	67.07	44.99
CSR Expenses	2.91	32.80
Freight & transportation	340.86	263.59
Insurance	36.86	35.54
Misc Expenses	100.76	148.01
Printing & Stationery	15.83	8.61
Prior Period Expense	30.26	1.40
Professional Fees	47.21	62.95
Rent rates & Taxes	171.31	165.49
Repair & Maintainance	45.94	53.34
	<b>1,939.74</b>	<b>1,955.99</b>
<b>23 Financial cost</b>		
Interest on loans	2,016.23	1,834.09
Others	-	10.45
Bank Charges	6.31	28.18
	<b>2,022.54</b>	<b>1,872.73</b>
<b>24 Earnings per share</b>	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Net Profit for the year	16,52,54,820	12,80,89,193
No of Shares at beginning	1,81,00,000	90,50,000
No of Shares at end	2,45,67,200	1,81,00,000
Weighted average number of equity shares outstanding at the end of the year	1,84,01,212	1,81,00,000
Basic and diluted earnings per share	8.98	7.08

## Consolidated Notes to Accounts as on March 31' 2018

### 25 Related party disclosures:

#### Nature and name of related parties

##### Key Management Person

Rohit Gupta (Managing Director)  
Prabhdeep Kour (Company Secretary)  
Deepak Singhvi (CFO)

##### Relative of Key Management Person

Suraj Prakash Gupta  
Radha Rani  
Pooja Gupta

##### Associate Concerns

Sarveshwar Logistics  
Radhika Overseas  
Sarveshwar International  
Himalayan Ancient Foods P Ltd  
Radhika Pest Control

##### Enterprises Owned or controlled by Key Management Personnel or their relatives

Shree Jee Trading

##### Joint Ventures

NIL

#### Transactions with related parties during the year:

(Rs. In Lakhs)

Name of related party	Nature of transaction	Transaction during the year	
		2017-18	2016-17
Rohit Gupta Rent	Rent	72.00	-
Rohit Gupta	Salary	48.00	18.00
Sarveshwar Logistics	Freight	80.14	3.92
Sarveshwar Logistics	Other Income	0.11	-
Suraj Prakash Gupta	Rent	12.00	-
Radha Rani	Rent	33.60	3.60
Sarveshwar International	Sales	230.83	-
Pooja Gupta	Rent	3.00	-

### 26 Expenditure and earnings in foreign currency (on accrual basis)

(Rs. In Lakhs)

Particulars	2017-18	2016-17
Expenditure		
Trade fair	4.71	
Professional fee	0.41	
Registration Fee	2.78	
Commission on Exports	14.43	15.40
Earnings		
Sale of finished goods	3,653.91	4,916.83

27 The Company has taken office premises on cancelable operating leases. The lease payments charged to the statement of profit and loss in respect of such leases is Rs. 3,33,375/- (previous year Rs. 2,66,700/-).

### 28 Unhedged foreign currency exposures as at the balance sheet date

Particulars	2017-18				2016-17			
	in USD	in JPY	Exchange rate	in ₹	in USD	in JPY	Exchange rate	in ₹
NIL				-				-

29 The balances of receivables, payables, security deposit given are subject to confirmation & reconciliation, if any.

## Consolidated Notes to Accounts as on March 31' 2018

### 30 Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five year or more of service gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service.

The principle assumptions in determining the obligation for the Company's plan are shown below:

Particulars	2017-18	2016-17
Monthly rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal rate	1% to 3% Depending on Age	1% to 3% Depending on Age
Discount rate	7.5	8
Future Salary Increase	7	7

#### Results of Valuation

(in Lakhs)

Particulars	2017-18	2016-17
PV of Past Service Benefit	19.51	7.95
Current Service Cost	2.81	1.37
Total Service Gratuity	103.64	63.64
Accrued Gratuity	22.12	12.98
LCSA	69.22	40.85
LC Premium	0.19	0.09
Accrued Liability	0.03	NA

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors on long term basis.

### 31

#### Details of secured short term borrowings as on March 31, 2018

(Rs. In Lakhs)

Name of the lenders	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Lakhs	Tenure	Outstanding Loan as on	Security as per the loan agreement
J&K Bank	CC	MCLR+ 1%	INR	7,500.00	Renewal Done Every Year	4,967.10	Various Immovable Propertires and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	Libor + 2%	USD		Renewal Done Every Year	519.13	Various Immovable Propertires and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	Libor + 2%	USD		Renewal Done Every Year	-	Various Immovable Propertires and Stocks & Debtors
J&K Bank PSL 004	LC /NON LC BACKED	7.45% & Libor + 2%	INR/USD		Renewal Done Every Year	60.30	Various Immovable Propertires and Stocks & Debtors
State bank of patiala	Pledge Limits	10.65%	INR	2,500.00	Renewal Done Every Year	(1.15)	Various Immovable Propertires and Stocks & Debtors
Oriental Bank Pledge Account		MCLR+ 1%	INR	500.00	Renewal Done Every Year	473.06	Various Immovable Propertires and Stocks & Debtors
J&K Bank	CC	MCLR + 1%	INR	10,500.00	Renewal Done Every Year	9,550.11	Various Immovable Propertires and Stocks & Debtors
J&K Bank PCFC	Sub Limit	Libor + 2%	USD		Renewal Done Every Year	97.24	Various Immovable Propertires and Stocks & Debtors
J&K Bank PSFC	Sub Limit	Libor + 2%	USD		Renewal Done Every Year	20.39	Various Immovable Propertires and Stocks & Debtors
Allahabad Bank Stock Pledge	Sub Limit	11.38%	INR	2,500.00	Renewal Done Every Year	2,125.40	Various Immovable Propertires and Stocks & Debtors
Total				23,500.00		17,811.58	

32 The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

**For K R A & Co**  
**Firm Registration No: 020266N**  
**Chartered Accountants**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**

Place: New Delhi  
Date: 26.05.2018

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

**Rohit Gupta**  
**Managing Director**  
**DIN:02715232**

Place: Jammu  
Date: 26.05.2018

**Anil Sharma**  
**Director**  
**DIN:07417538**

Place: Jammu  
Date: 26.05.2018



# 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 Joint Holder 2	:	
No. of Shares held	:	

I/We hereby record my/our presence at the **14<sup>th</sup> Annual General Meeting** of the Company being held on **25<sup>th</sup> of September, 2018 at 03:00 P.M.** at **Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir 180006, 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 National Securities Depositories Limited (NSDL).

EVEN (E-VOTING EVENT NUMBER)	User ID	Password
109536		



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## PROXY FORM- MGT-11

[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	
E-mail ID	
Address	
Signature	

Or failing her/him

2. Name	
E-mail ID	
Address	
Signature	

Or failing her/him

3. Name	
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 **Tuesday, the 25<sup>th</sup> day of September, 2018 at 03.00 P.M.** at **Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir-180006**, India and at any adjournment thereof in respect of such resolutions as are indicated below:



Sr. No.	Resolutions	For	Against
1.	Adoption of the Audited Balance Sheet as at 31 <sup>st</sup> of March, 2018 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 31 <sup>st</sup> March, 2018.		
2.	Re-appointment of <b>Mr. Anil Kumar (DIN: 07417538)</b> , who retires by rotation and being eligible offers himself for re-appointment.		
3.	Ratification of appointment of <b>M/s. K R A &amp; Co, Chartered Accountants ( FRN: 020266N)</b> as Statutory Auditors of the company.		
4.	Re-appointment of <b>Mr. Adarsh Kumar Gupta (DIN: 08135776)</b> as an Independent Director of the Company		

Signed this .....Day of ..... 2018

Affix a  
Re.1/-  
Revenue  
Stamp

Signature of shareholder

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.





# **SARVESHWAR FOODS LIMITED**

REGISTERED OFFICE: SARVESHWAR HOUSE, BELOW GUMMAT, JAMMU (J&K)-180001  
Website: [www.sarveshwarrice.com](http://www.sarveshwarrice.com) | Email Id: [investorrelations@sarveshwarrice.com](mailto:investorrelations@sarveshwarrice.com)