



# SARVESHWAR GROUP



## 360° GOOD KARMA

SARVESHWAR FOODS LIMITED  
16<sup>TH</sup> ANNUAL REPORT



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### Company Heritage

**"We are 130 years old Group having strong foot prints in FMCG & Organic Agri Products, Sarveshwar is an amalgam of centuries old values and traditional farming, modern manufacturing processes and state-of-the-art quality systems."**

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## **MESSAGE FROM MD & CEO**

### **- Mr. Surendar Singh Jasrotia**

**“This is my first letter to all our esteemed shareholders, as MD and CEO of the Board of Directors of Sarveshwar Foods Ltd. I am honored and humbled as I write to you at the end of another eventful year in the history of Sarveshwar. During the year 2019-20, your Company delivered a good performance towards growth in its revenue while increasing its market share in highly competitive product categories.”**



The year also saw Sarveshwar enhance its distribution footprint to 30 K retail outlets across the country, with direct retail coverage increasing to 10 K. Direct coverage indicates the retail outlets which are serviced through our own network of sales personnel and distributors. The Company also expanded its presence through newer distribution channels such as Modern Trade and E-commerce. We have open New 4 Exclusive Rice stores in J&K and also add new products i.e. Sarveshwar Wheat flour in our portfolio. We consolidated our rural reach by strengthening the front-end teams and super-stockiest and sub-stockiest network. The year also marked the implementation of Project Supply, an initiative aimed at improving our value chain and front-end efficiencies in addition to making our supply chain future ready. The Company's products are also exported to large institutional customers in more than 8 countries including key export destinations such as USA, Europe, and the Middle East.

## **IMPACT ON BUSINESS**

Beside 370 Article demolished in J&K and also the effects of earlier Covid19 gives impact on our Business growth but at the same time we have changed our strategy and We invested strongly behind our business infrastructure to drive strong revenue growth, due to which our operating costs were a tad higher during the year. we have enhanced our reach and penetration and we have started our production from our Delhi unit for the Interstate Sales and Business and our Mundra plant activate for full fledge capacity to meet the deadlines of our Exports business towards Middle east.





## **INTEGRATED MANUFACTURING & LOGISTICS**

Our business draws major strength from our back-end infrastructure, which has been created over the last 2 decades and backed with the experience of 128 years. Our state-of-the-art manufacturing plants concentrate on manufacturing specialized products. We have also aligned ourselves deeper with farmers in specific pockets of J&K, UP, Haryana, and Punjab. While strengthening our partnership with the farmers, we also undertook welfare initiatives to improve their economic well-being. To maintain superior farm output, we imparted education on sustainable farming practices, provided technical assistance and promoted the use of ecologically sound agricultural technologies to the farmer's along with the Digital platform in the form of Farmer App. The Company owns 2 USFDA and BRC approved manufacturing facilities in Jammu and Kashmir for the processing. Sarveshwar has 7 warehouses of which 2 are exclusively used to store paddy and the remainder for storage of rice.

### **PROJECTS :**

- We have projects on Organic Farming & Certification in various states of India.
- Organic Rice Cultivation in 10,000 ha of Area in Jammu & Kashmir, Himachal Pradesh and Uttar Pradesh.
- Organic Walnut and Saffron cultivation in Kashmir.
- Organic Red Rice, Flaxseed cultivation in Himachal Pradesh.
- Organic Red Kidney Beans (Rajma) cultivation in Bhaderwah area of Jammu.
- We have implemented a Govt. funded project being funded by Department of Agriculture, Himachal Pradesh, & Department of Agriculture, Jammu (J&K).
- We have developed our internal control system for documentation, farmer training, internal inspection and procurement.

## **ON OUR WAY TO OUR 2022 VISION**

We are well on-track to attain our goal to become a USD 150 million revenue Company by 2022. Our processes are being strengthened to align our businesses with this objective. This growth will be supported by the robust momentum in branded basmati sales in India and globally; strong traction from the new Ventures facility in Europe and the US; increasing sales of branded and organic business; and higher revenue generation from the New products under our established brand. In this direction, we are improving our cost efficiencies, working capital cycle and productivity. We will continue to benefit from our established operational track record; experienced team; wide distribution network; and established client base. I am confident that these initiatives will take us closer to our 2022 vision.

Looking ahead the market place looks exciting and filled with opportunity. We are well positioned to capture these opportunities, and deliver continuous growth and value creation. A strong portfolio of brands and a growing product acceptance globally gives us a good visibility and confidence to achieve stronger growth. We will continue to serve our customers with quality and commitment. These values shall remain the hallmark of all our offerings, and will enable us to achieve a long and meaningful relationship with our customers.

### **360 Degree Good Karma**

**At Sarveshwar, the Himalayas are at the centre of our philosophy and our work. The tenets of karma and a satvic lifestyle drive all our efforts.**

The concept of karma says that all our actions have their consequences — what goes around comes around. When we mean well and do good, we are rewarded with happiness, peace and contentment. And so, we try our best to be conscious of our thoughts and actions towards everyone we connect with — our farmers, employees, consumers, guests, and their families. This is our philosophy of 360° good karma — the best intentions in every direction. On this note, I would like to thank all co- Directors on the Board and partners in business for contributing to our continuing success. My gratitude also goes to all our shareholders for their faith and belief in us.

**Sincerely  
Surendar Singh Jasrotia  
MD & CEO**



## CONTRIBUTION

## TOWARDS SOCIETY

Crop rotations, soil testing, awareness about sustainable environments, selection of high yielding varieties.

Vermicompost unit development as a source of home-grown bio inputs to replace chemical fertilizers.

Post-harvest training

Exposure visits to various agricultural institutions (at our cost)

We have opened farmer service centres, which serve as a point of interface with farmers of a designated area. Here they are imparted training, and can have their farming and other queries redressed.

We facilitate procurement of their produce with doorstep service, thus saving transportation costs for the farmers.

We also procure the produce at premium rates compared to market prices, helping farmers

### Basmati Rice

Basmati brown rice, Basmati raw rice  
Basmati steam rice, Basmati silky raw rice  
Basmati white parboiled rice  
Basmati golden parboiled rice

### Non-Basmati Rice

Indian long / medium / short grain white raw rice  
Indian long / medium / short grain white parboiled rice  
Indian long / medium / short grain golden parboiled rice

360° GOOD KARMA

## Inspiring Timelines

1890

The business was founded by the late Shri Mulamal Ji in 1890, and his son the late Shri Isher Dass Gupta took it into the second quarter of the last century.

2007 - 2012

### PLANT AT SEORA & AWARDS & NEW VENTURES

Setting up of the plant at Seora with 6 TPH Milling Capacity. Best Industry award 2010 presented by former Chief Minister of Jammu & Kashmir, Mr. Omar Abdullah. Setting up of a plant at SIDCO. In Subsidiary, Sarveshwar Overseas Limited with 8 TPH milling capacity. Foray into Organic products

2013 - 2014

### CERTIFICATION & TRADEMARK & TRADEMARK IN US

Certifications from Agricultural & Processed Food Products Development Authority (APEDA) for registering certain products. Registration of "Sarveshwar" as a trademark with the Canadian Intellectual Property Office Registration of "Sarveshwar" as a trademark with the United States Patent and Trademark Office.

2015 - 2016

### EXPORT OF RICE TO CHINA & HACCP ACCREDITATION

Certification that Rice milling and processing at Unit 1 (Seora) has been verified and granted registration for Export of Rice to China. British Retail Consortium (BRC) for Food safety of both facilities are also Hazard Analysis and Critical Control Point (HACCP) accredited by the British Standards Institution

2017 - 2018

### FLAGSHIP ORGANIC STORES & LISTING ON NSE EMERGE

Launch of Flagship retail store in Jammu for Organic products – "NIMBARK Organic Store". Global Food Safety Initiative (GFSI) certification from Costco Wholesale, USA. Listed the Company share on NSE Emerge in March 2018

2019 - 2020

### Sarveshwar New Store & Sarveshwar Atta Launch





## Brand Portfolio

# Expanding our portfolio of the Satvik Food

We believe in treating our customers with respect and faith. We integrate honesty, integrity and business ethics into all aspects our business functioning. We work with dedication and commitment and lead by example.





## Sarveshwar Brand Portfolio

### Sarveshwar Rice



#### Sarveshwar Unique Basmati Rice

Is traditional distinguished by its unique aroma, long length and fluffiness.



#### Sarveshwar Select Basmati Rice

Is traditional finest authentic Sharbati Rice, with a distinct aroma and taste, grown in Jammu & Kashmir.



#### Sarveshwar Ultra XL Basmati Rice

Is distinguished by its extra length and is especially suitable for Biryani dishes.

Make in India  
Make in J&K

360° GOOD KARMA

### Sarveshwar Atta

सर्वेश्वर  
Wheat Flour  
(Atta)







## **Nimbark Brand Portfolio**

### **Organic Kashmiri Saffron**



### **Organic Kashmiri Dryfruits**



### **Organic White & Brown Basmati Rice**



### **Organic Pulses**



### **Organic Flour**



### **Organic Spices**



### **Organic Superfoods**



### **Organic Oil**





## OUR FOOT PRINTS



- |             |                            |                      |
|-------------|----------------------------|----------------------|
| 1 Australia | 9 Italy                    | 17 Sultanate of Oman |
| 2 Angola    | 10 Kingdom Of Saudi Arabia | 18 Tanzania          |
| 3 Belgium   | 11 Maldives                | 19 Turkey            |
| 4 Canada    | 12 Malta                   | 20 UAE               |
| 5 Curacao   | 13 Mauritius               | 21 United Kingdom    |
| 6 France    | 14 Nepal                   | 22 USA               |
| 7 Germany   | 15 New Zealand             |                      |
| 8 India     | 16 Norway                  |                      |



- |                                   |
|-----------------------------------|
| 1 Jammu & Kashmir                 |
| 2 Haryana                         |
| 3 Andhra Pradesh                  |
| 4 National Capital Region (Delhi) |
| 5 Tamil Nadu                      |
| 6 Telangana                       |
| 7 Uttar Pradesh                   |





# FROM FARM TO FORK

Creating Flavors and loyalty since 3 generations

With our sustainable farm-to-fork business model and best industry practices, we create value for all stakeholders. We consistently engage with our stakeholder groups and enable them to grow and prosper in tandem with us.

Farming



Robust backward integration through partnerships with farmers by registering them with Company.

Procurement

Wide procurement network with strong quality control across all Local Farmers and Pan India Farmers.



Processing and packaging



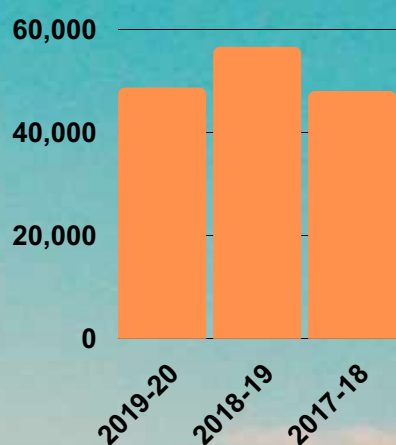
State-of-the-art processing and packaging facilities in Jammu, J&K

Sales and distribution

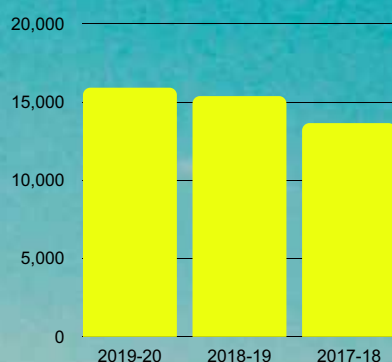
Distribution network serving retail outlets, modern retail formats and hotels/restaurants and Caterers (HORECA) in India.



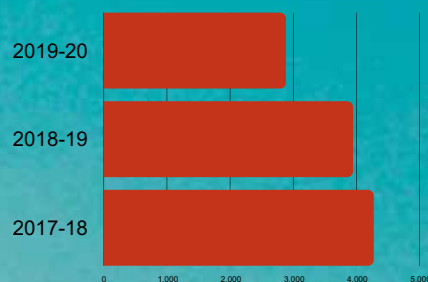
# Performance Highlights



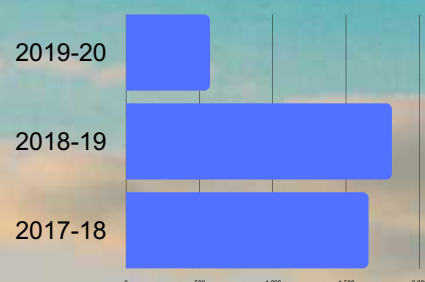
SALES  
HIGHLIGHTS



NET WORTH



EBITDA  
HIGHLIGHTS



PROFIT AFTER  
TAX

## Profitability Statement

Particulars (All Amt in lacs)	Consolidated			Stand alone		
	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31/3/2020	31/3/2019	31/3/2018	31/3/2020	31/3/2019	31/3/2018
<b>INCOME</b>						
Revenue from operations	48,744.35	56,648.08	48,073.60	19,922.90	23,035.08	21,673.70
Other income	427.03	364.39	114.14	296.96	230.97	57.26
<b>Total Income</b>	<b>49,171.38</b>	<b>57,012.48</b>	<b>48,187.74</b>	<b>20,219.86</b>	<b>23,266.05</b>	<b>21,730.96</b>
			-			-
<b>EXPENDITURE</b>						
Raw materials consumed	15,624.28	28,280.48	24,693.22	8,056.77	13,685.50	13,291.35
Purchases	18,518.18	25,525.66	25,151.69	5,332.22	9,550.84	10,996.04
Changes in Inventory	9,601.28	(3,374.21)	(8,106.74)	4,421.62	(3,151.51)	(6,005.65)
Employee benefits expenses	411.89	418.85	348.87	208.69	196.44	205.97
Depreciation expenses	222.97	231.16	253.02	81.77	80.46	90.69
Finance cost	1,959.23	1,370.94	1,845.16	799.26	470.57	636.35
Operating and other expenses	2,134.48	2,217.55	1,828.36	1,094.07	1,144.85	1,055.29
<b>Total Expenses</b>	<b>48,472.31</b>	<b>54,670.43</b>	<b>46,013.58</b>	<b>19,994.40</b>	<b>21,977.16</b>	<b>20,270.03</b>
			-			-
<b>Profit/(Loss) before tax</b>	<b>699.07</b>	<b>2,342.05</b>	<b>2,174.16</b>	<b>225.45</b>	<b>1,288.89</b>	<b>1,460.93</b>
Taxation	127.76	530.11	522.00	50.07	371.56	405.40
<b>Profit After Tax</b>	<b>571.31</b>	<b>1,811.94</b>	<b>1,652.16</b>	<b>175.39</b>	<b>917.33</b>	<b>1,055.54</b>
Less: Minority Interest	0.44	1.81	1.84	-	-	-
<b>Profit / (loss) for the year</b>	<b>570.87</b>	<b>1,810.13</b>	<b>1,650.31</b>	<b>175.39</b>	<b>917.33</b>	<b>1,055.54</b>



# Financial Highlights

## Balance Sheet :

Particulars (All Amt in lacs)	Consolidated			Stand Alone		
	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)	(in Lakhs)
	As at	As at	As at	As at	As at	As at
	31/3/2020	31/3/2019	31/3/2018	31/3/2020	31/3/2019	31/3/2018
<b>Equity and liabilities</b>						
<b>Shareholders' funds</b>						
Share capital						
-Equity Share Capital	2,456.72	2,456.72	2,456.72	2,456.72	2,456.72	2,456.72
-Preference Share Capital	2,200.00	2,200.00	2,200.00	-	-	-
Reserves and surplus	11,244.63	10,707.18	8,981.31	9,164.75	9,004.45	8,191.23
Minority Interest	21.03	20.59	18.77	-	-	-
	15,922.37	15,384.48	13,656.80	11,621.47	11,461.17	10,647.95
<b>Non current liabilities</b>			-			-
Long term borrowings	101.70	101.45	101.88	9.85	8.00	10.50
Deferred Tax Liabilities	-	-	-	-	-	-
	101.70	101.45	101.88	9.85	8.00	10.50
<b>Current liabilities</b>			-			-
Short term borrowings	22,045.22	20,923.14	17,811.58	10,195.21	8,620.69	6,018.44
Trade payables	3,827.55	4,184.48	10,838.55	1,486.80	1,839.40	2,602.70
Other current liabilities	966.77	2,259.12	762.24	1,253.15	1,974.08	210.06
Short term provisions	2.27	136.54	118.03	-	91.17	43.72
	26,841.81	27,503.28	29,530.39	12,935.16	12,525.35	8,874.91
			-			-
<b>Total Liabilities</b>	42,865.88	42,989.20	43,289.07	24,566.47	23,994.51	19,533.36
			-			-
<b>Assets</b>			-			-
<b>Non current assets</b>			-			-
Fixed assets			-			-
(i) Tangible assets	2,153.42	2,286.75	2,366.87	434.54	448.55	455.53
Other Non Current Assets	32.81	-	-	3,071.67	3,056.91	1,498.71
	2,186.23	2,286.75	2,366.87	4,814.28	5,343.37	1,954.24
Deferred Tax Assets (Net)	60.73	40.48	32.61	26.49	16.87	10.62
<b>Current assets</b>			-			-
Inventories	19,274.68	29,661.73	27,988.91	8,518.31	14,088.05	12,312.49
Trade receivables	19,666.75	9,043.49	9,662.04	10,463.84	3,829.43	1,102.18
Cash and bank balances	165.34	56.95	1,648.54	25.01	12.57	1,617.30
Other Current Assets	1,512.16	1,899.82	1,590.09	718.54	704.22	2,536.53
	40,618.92	40,661.98	40,889.58	19,725.70	18,634.27	17,568.50
			-			-
<b>Total Assets</b>	42,865.88	42,989.20	43,289.07	24,566.47	23,994.51	19,533.36





## **At a Glance : Marketing Campaigns**

### **1. Branding Drive of Sarveshwar**



### **2. New Rice Stores in J&K :**





### 3. New Product Launch : Sarveshwar Atta



### 4. New Product Nimbark Launch : Herbal Powder



### 5. Digital Presence



[www.sarveshwarrice.com](http://www.sarveshwarrice.com)



[www.nimbarkfoods.com](http://www.nimbarkfoods.com)



**NIMBARK ORGANIC**  
**amazon**





## EXECUTING ON OUR GLOBAL EXPANSION

Sarveshwar's Traditional Basmati rice is known as "the queen of fragrance". We bring you the purest original grains grown in home conditions in the foothills of the Himalayas. Our products are packed in fully hygienic bags and are packaged in our fully automated plant with inert gas flushing and vacuum packaging, untouched by human hands. We are committed to providing the best Basmati rice to connoisseurs around the world. We adhere to the guidelines of ISO 22000:2005. We are also registered with the United States Food and Drug Administration (USFDA), and are BRC, Kosher, HACCP, GMP, and NOP-USDA Organic certified.



## OUR INTERNATIONAL PACKAGING







## **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 include 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.



### **CSR DURING COVID**

Sarveshwar Feeding the locals, the CSR arm of Sarveshwar, has partnered with local NGOs, district administration and volunteers to identify families in need and distributing Ration to the families.







## **AWARDS**

CEO of the Year 2020 Award was awarded to Mr. Surendar Singh Jasrotia (CEO of Sarveshwar Foods Ltd.) by Indian Achievers Forum and Achievers World . It is one of the prominent forum with 20 years of Excellence.



## **CERTIFICATIONS**

We are committed to providing the best Basmati rice to connoisseurs around the world. We adhere to the guidelines of ISO 22000:2005. We are also registered with the United States Food and Drug Administration (USFDA), and are BRC, Kosher, HACCP, GMP, and NOP-USDA Organic certified.







# ORGANIC FARMING

## ORGANIC INFRASTRUCTURE

The organic value chain begins with the farmers who takes up organic cultivation. We enroll the willing farmers, organize them to form clusters (for small holders group certification), testing of water and soil samples, providing organic inputs to the farmers, training for nutrient and disease management and documentation, facilitation for certification and establishment of marketing channels for better returns to the producers. This way we ensure highest levels of guarantee for organic claim.





# **ORGANIC FARMING**

## OUR PROJECTS

We have projects on Organic Farming & Certification in various states of India.

- Organic Rice Cultivation in 10,000 ha of Area in Jammu & Kashmir, Himachal Pradesh and Uttar Pradesh.
- Organic Walnut and Saffron cultivation in Kashmir.
- Organic Red Rice, Flaxseed cultivation in Himachal Pradesh.
- Organic Red Kidney Beans (Rajmash) cultivation in Bhaderwah area of Jammu.
- We have implemented a Govt. funded project being funded by Deptt. of Agriculture, Himachal Pradesh, and Deptt. of Agriculture, Jammu (J&K).
- We have developed our internal control system for documentation, farmer training, internal inspection and procurement.











## **COMPANY'S CORE INFORMATION**

### **SARVESHWAR FOODS LIMITED**

CIN: L15312JK2004PLC002444

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

Email Id: [investorrelations@sarveshwarrice.com](mailto:investorrelations@sarveshwarrice.com)

Website: [www.sarveshwarrice.com](http://www.sarveshwarrice.com)

### **SIGNATORIES INFORMATION**

- 1.Mr. Anil Kumar, Executive Director
- 2.Dr. Gayatri Tandon, Executive Director
- 3.Mr. Surendar Singh Jasrotia, Managing Director & CEO

### **INDEPENDENT DIRECTORS**

- 1.Mr. Thyagarajan Kumaran
- 2.Dr. Tej Partap
- 3.Dr. Uttar Kumar Padha
- 4.Mr. Adarsh Kumar Gupta

### **ADDITIONAL DIRECTOR**

Ms. Seema Rani

### **CHIEF FINANCIAL OFFICER / COMPLIANCE OFFICER**

Mr. Sourabh Mehta

### **AUDITORS OF COMPANY**

Name of Firm: 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](mailto:rajat@kra.co.in)

FRN No: 020266N

### **SECRETARIAL AUDITORS**

Name of Firm: Yamina Almas & Associates, Practicing Company Secretary

Office: Top Floor, Haroon Complex, Exchange Road, Lal Chowk, Srinagar, Kashmir- 190001

Membership No: 50650

CP No: 18588

### **BANKERS TO THE COMPANY**

The Jammu & Kashmir Bank Limited



## BOARD OF DIRECTORS



**Mr. Rohit Gupta**, aged 51 years, is the Promoter and Chairman 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. Surendar Singh Jasrotia**, aged 51 years, is Managing Director & CEO of our Company. He has done Bachelor of Science and MBA in International Marketing & MBA in India Marketing also and has obtained certified courses from IIM. Surendar has over 27 years of sales and business leadership experience across industries. He has worked across firms with different stages of evolution, from H J Heinz and Coke, Pepsi and then building billion dollar businesses like Aakash (Data Wind), Petroleum Sector in Africa, India and APAC. He is highly passionate for creating something new and has led multiple businesses to enormous success from scratch. One such key highlight has been launching Reliance in HP, and Aircel in J&K & North East States of India and recently creating Petroleum business success in Africa as well as Data Wind (FMCD) products in PAN India as well as South Asia Markets.

Surendar has worked across industries - FMCG, Telecom- Operator, Consumer Electronics- Smartphones, and Alcoholic Beverages. And has handled a wide variety of roles- Operations Head, National Head, Business Head, Circle Head, VP-India & APAC, Marketing & Business Development Head East Africa, VP and Regional Head India & Sub Sahara Africa in Personal Care.



**Mr. Anil Kumar**, aged 43 years, is the Executive Director of your 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 44 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.



**Ms. Seema Rani**, aged 37 years is Additional Director of the company. She has obtained degree of Masters of Commerce from Jammu University. She has over 15 years experience in international marketing and sales.



**Dr. Tej Partap**, aged 68 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 65 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.



**Dr. Uttar Kumar Padha**, aged 64 years, is an Independent Director of our Company. He has obtained his degree in Bachelor of Management studies from Delhi. He has worked as a technical Officer in Blood Bank, Gandhi Nagar Hospital. He has a work experience of more than 34 years. He has been awarded for the best performance in Health Department in state and as well as in centre.



**Mr. Adarsh Kumar Gupta**, aged about 69 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.

# STATUTORY REPORTS





## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Rice is an outstanding staple food in Indian market which is grown throughout the year heaving region-wise favorable rice growing seasons. Eastern, North-eastern and Southern are major rice-producing region because of a pleasant climate throughout the year.

India is among the top five rice-producing nations which include China, Indonesia, Bangladesh and Vietnam in the list. India produces above 23% of overall global rice production. Indian rice market is primarily dominated by unorganized sector because of the presence of several local players and the easy availability of rice through small retail stores which are also called as Kirana stores.

The organized industry has started making a mark in the last couple of years as the targeting Tier 1 and 2 cities where the urbanisation have increased. The report consists of a various segment of the rice market in India like basmati, packed and further segmented into its types. There is a complete trade analysis with current market trends. This will help with a market share of top-performing companies present in the competition.

India's rice production, as well as the consumption, has increased over the years and also there is an involvement of many top companies which have evolved the organized rice industry. Along with the production, India is also the top rice exporting nation that nearly exports 25% of global rice export. Overall India's rice export is dominated by basmati rice as India being the highest producer of basmati rice globally. Iran and Saudi Arabia are the largest importer of basmati rice from India and contribute the highest value share in India's overall basmati rice export.

India is the second largest producer of milled rice in the world with 116.42 thousand metric tons according to *statista* 2020 data. There are nearly 1000 varieties of rice available across the globe, but in India white and brown rice are the most common

variety cultivated. Due to climatic conditions of India, the rice is usually produced in monsoon season. In 2020-21, Government of India is focusing on food grain generation of 291.95 million tons. As indicated by the Department of Industrial Policy and Promotion (DIPP), the Indian sustenance preparing industry has in total pulled in Foreign Direct Investment (FDI) value inflow of about USD 469.99 billion during April 2000 and March 2020.

Government of India is supporting farmers in various forms like Discount in some agricultural equipment, and by distribution of seeds and fertilizers. Helping farmers by financial assistance through subsidy and loan availability on crop.

Availability of High-level seeds and increase in recent technological methods in agricultural industry, availability of huge fertile land with a good climatic condition for production of rice are key drivers in Indian rice market.

Climatic changes definitely effect the out come of production and also high requirement of water, labor and vast land challenges Indian rice market. Expensive equipment and insufficient technological development in equipment are key restrains of this market.

The segmentation of Indian rice market is specified by state. West Bengal is the leading rice producer of India with the almost half of its agricultural land is under rice production. In the last financial year the state produced 146.05 lakh hectare of the area.

The overall market for basmati rice is foreseen to ascend to USD 17.74 bn by 2024, multiplying at a strong CAGR of 11.0% amid the period from 2019 to 2024. Basmati rice worth over 4.3 billion U.S. dollars in fiscal year 2020 was exported from India. Other rice varieties amounted to about two billion dollars of export value that same year. A fall in rice exports was seen in the country from the previous fiscal year. The fare of Basmati rice has been persistently commanding.





India's rice send out crate as indicated by the information given by Trade Promotion of India.

Rice can be used in various industries, Craft Beers are made in a conventional, non-motorized brewery and in some cases contain nearby flavors and unique ingredients in relation to the standard definition, Assam rice is renowned for brew producers.

Indian domestic rice market has grown at the CAGR of above 4% from in the last five years. Domestically in India's rice market non-basmati rice holds the more significant portion as compare to basmati rice as the production of basmati rice is limited to only several states but is considered in the premium segment of rice. The unorganised dominated market is now shifting towards an organised market which is growing nearly at a CAGR of 12% consumer awareness, and increasing urbanization are playing an essential role in developing the packed rice market in India. Packed rice market in India is highly dominated by basmati rice and with the new health rice segments like brown rice and organic rice whose demand have increased in recent years.

### **INDIA'S LARGEST RICE PRODUCING STATES :**

Presently the highest rice producing states in India are Punjab, Andhra Pradesh, Uttar Pradesh, West Bengal, Tamil nadu, Bihar, Chhattisgarh and Orissa. This state's together hold almost 72 per cent of the total area of rice production and contributes almost 75 per cent of the total rice in the country.

As per statistics, West Bengal is been considered as the largest producer of rice in the country. The region has nearly half of its arable land under rice cultivation, which comes to about 5 million hectares of rice growing area. In the financial year of 2016, the same state produced over 14.8 million tonnes of rice, thus remaining as the highest rice- producing state in the country. The rice industry in India is been

expected to continue producing at world- leading rates.

### **ORGANIC MARKET :**

Demand for natural, fresh and locally sourced foods, which are healthier and more wholesome than packaged foods with more shelf life are rising. The demand for global organic food market is expected to rise by 23% CAGR bu 2023. Sarveshwar group has a strong backend in place with 10000+ hacter of certified organic land in India.

#### *Analysis of India's Rice Industry*

India is a major rice producer, exporter, and consumer and it continues to be the world's largest rice exporter for the 4<sup>th</sup> consecutive year. Rice is the most vital agricultural crop in India. It contributes more than 40 % of the country's total food grain production.

The country has high -quality paddy, high -yield, low production costs and is been known to efficiently execute its contracted businesses from that of the ports of East coast and West coast of India. In the last one decade, the rice industry in India has seen a major transformation, due to the growth of branded businesses in that of the domestic market and a strong impetus to export. The prominence of this industry has attracted a significant number of traders and buyers from all over the world. In the near future, the demand for export of rice is been expected to improve further, with China and Iran increasing their imports of Indian rice. Along with that, the steady domestic demand growth would add to the overall improvement for the industry.

over the world. In the near future, the demand for export of rice is been expected to improve further, with China and Iran increasing their imports of Indian rice. Along with that, the steady domestic demand growth would add to the overall improvement for the industry.



Indian overall rice market is forecasted to grow at CAGR of above 6% in the near future.

India is among the highest consumer of the rice just after china in terms of both value as well as volume also India the top rice exporting nation globally.

The Indian rice market is divided into organised as well as unorganised sector. The unorganised sector contributes a massive part in Indian rice market since ages as people used to buy rice in large quantity because of its higher consumption. Indian rice sector is getting transformed slowly and gradually from unorganised to organised sector which is also called a packed rice segment.

The packed segment of rice is a growing sector in India with an increase in awareness and the increase in urbanisation. Overall Indian rice market is segmented in basmati, non-basmati, packed, unpacked and further segmented into its types. Basmati rice contributes a small portion in Indian market but generates the highest share through overall export of rice. Rice sector is a competitive market in India; there are many vital players; also, they are getting fierce competition from the new entrants and the local players.

Indian overall and packaged rice market have grown considerably over the past couple of years. India is among the largest producers and the exporters of rice globally.

A vast section of people living in India belongs to Tier 2 and Tier 3, which are the largest consumer of unpacked rice that helps in driving the unorganised rice market in India. In the last few years, a shift towards urbanization has increased, and the size of the families is getting smaller, which have allowed them to move towards the packed rice products.

The adaption of packed rice has increased in recent years, and basmati rice holds more substantial portion in the overall packed rice. The whole

packaged rice market is driven by the revenue generated by packed basmati rice which is forecasted to grow at considerable CAGR of around 11%.

With the changing trends, there is a shift in the habit in the consumption of rice as consumers are now moving towards health rice segments because of increased awareness about health products. Brown rice and organic rice are considered into the health rice segment because of its nutritive content, and also the recent entry of black rice is gaining consumer's confidence.

## **MAJOR COMPANIES :**

India's exports of basmati rice is expected to witness 4-5 percent growth during 2019-20, following increase in average realizations, strong demand from Iran and steady increase in paddy prices since last three years, a report said.

Export growth of 4-5 per cent is expected in Fy 20. Icra said in a report.

The growth in exports this financial is mainly fuelled by considerable firming up of average realisations, strong demand from Iran and steady increase in paddy prices for three years in a row.

Icra expects the momentum of the current fiscal to percolate into 2019-20, as well with expectation of 4-5 percent growth in exports.

"It is important to note that this growth has been despite some challenges that surfaced during FY19 like pesticide residue issue leading to a decline in exports to European Union (EU), Saudi Arabia mulling adoption of stringent pesticide rules, payment issues from some Iranian importers and uncertainty due to imposition of trade sanctions on Iran by the US government," Icra assistant vice president, Deepak Jotwani said.



The stringent pesticide norms by EU led to loss of exports worth around Rs 1,000 crore during the nine month of this financial year and the same could exacerbate going forward, he said.

Nevertheless, he said, the fact that EU contributed around 8 percent to the exports till FY18, allowed for the loss to be compensated by exports to the Middle Eastern countries.

"Further, the industry has been able to tide through most of the other issues, as demonstrated by steady increase in exports to Saudi Arabia and establishment of the rupee payment mechanism to facilitate future trade between India and Iran, its prime market for Basmati exports. However, overall, tightening of pesticide residue norms by key importers could be a long-term risk for the industry," he added.

Continuing the momentum from FY18, India has already exported basmati rice worth Rs 24,919 crore (3.37 million tonne) in the 10 month of FY19, which is 17 percent higher than Rs 21,319 crore (3.28 million tonne) in the corresponding period in the previous fiscal.

Over the next few quarters, demand in the export market is likely to remain steady, supported by resumption of imports by Iran, thereby driving the industry exports in FY19 to the highest ever level of almost Rs 30,000 crore, it said.

As per Icra, the average export realisations have firmed up to Rs 74,053 per tonne in the first 10 months of FY19, against Rs 64,997 per tonne in 10 months of FY18.

The rising exports was due to factors like increase in paddy prices over the previous and current year's procurement season, aggressive buying by Iran in the first half of the fiscal due to the uncertainty at that time regarding imposition of US trade sanctions and its impact on trade between India and Iran and

depreciation of the rupee against the USD, it added.

### **GLOBAL ECONOMY :**

The global economy continued to maintain a slow growth trajectory and recorded an estimated growth rate of 2.9%<sup>1</sup> in 2019, its slowest pace since the global financial crisis of 2008. Persistent trade uncertainties between the US and China, idiosyncratic factors leading to macroeconomic stress in several emerging market economies, and structural factors such as low productivity and an aging demography in advanced economies further contributed to the decline of an ailing economy. Rising trade barriers and associated uncertainty weighed heavily on business sentiment and activity, globally. In advanced economies and China specifically, these developments magnified cyclical and structural slowdowns. Tighter financial conditions in Argentina, geopolitical tensions in Iran, and social unrest in Venezuela, Libya, and Yemen worsened macroeconomic stress and caused significant stress to overall global economic growth. Towards the end of FY19-20, the COVID-19 pandemic wreaked havoc and disrupted global supply chains and international trade. As earnings dipped significantly, pay cuts, job loss and hiring freeze ensued in the aftermath. However, central banks around the world reacted aggressively and introduced favourable fiscal policies and stimulus packages to revive and restore confidence.

### **OUTLOOK :**

The COVID-19 pandemic compelled countries around the world to impose stringent protective measures. It not only brought economic activity to a standstill but, also hampered growth globally. Given the grim economic outlook, the economy is projected to contract by 4.9% in 2020. Macroeconomic policy stimulus in the most exposed economies will help to restore confidence as the effects of the virus outbreak and supply-side disruptions fade in advanced economies.





Low interest rates should help cushion demand, although the impact of recent and projected changes in policy interest rates on activity is likely to be modest in the advanced economies.

### **INDIAN ECONOMY :**

In FY 2019-20, India's GDP stood at 4.2%, as it witnessed persistent decline throughout the year. In Q1 FY 19-20, it registered growth of 5.2%, while in Q4 it further slipped to 3.1%. A synchronized global slowdown, plummeting domestic automobile sales, fattening of core sector growth and declining investment in construction and infrastructure sectors were primarily responsible for the muted growth of the Indian economy. Factors like declining credit disbursements, deceleration in consumption patterns and reduced demand, significantly affected the economy.

#### **Outlook :**

As the impact of the coronavirus outbreak becomes profound and widespread in FY20-21, economic outlook is severely impaired. The economy is expected contract by 4.5% in fscal 2019- 20. The nationwide lockdown posed massive challenges to business continuity and altered the economic forecast quite frequently. Import restrictions on key raw materials from China is expected to affect manufacturing processes and core industries. However, short-term relief measures announced by the Government of India (GoI) and the RBI are expected to decelerate the steep fall and restore investor confidence. Economic relief packages, a combination of moratoriums and liquidity boosting measures is expected to revive economic growth to 6.0% in FY 2021-22.

### **INDUSTRY OVERVIEW :**

#### **Consumer Food**

The consumer food market continues to evolve at a rapid scale. The importance of healthier and sustainable food ecosystem continues to find increasing importance today, than it was ever

before. Within the consumer food space, the global rice market is valued at approximately \$275 billion and is projected to grow at a CAGR of 0.88% during 2019- 24. Rice is the staple food for more than half of the world's population and more than 500 million metric ton of rice is produced annually, across the globe. It is the second-most important cereal crop after maize and ensures food security for numerous developing countries in East Asia and the Southeast Asian regions, with India being among the leading rice producers in the world. Global consumption of rice has increased on year-on-year basis, especially of basmati and regional rice.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **16<sup>th</sup> Annual General Meeting** of the members of **SARVESHWAR FOODS LIMITED** (CIN : **L15312JK2004PLC002444**) will be held on Tuesday, 29 September, 2020 at 11.00 A.M at SFL Meeting Hall, Village Seora, Baba Fareed Nagar, Bisnah –Kunjwani Road, Jammu, J& K -181132. 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, 2020 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, 2020.
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 16<sup>th</sup> Annual General Meeting of the

Company to the conclusion of the 17<sup>th</sup> Annual General Meeting to be held in 2021, on a remuneration as may be agreed upon by the Board of Directors be and is hereby ratified.”

### **SPECIAL BUSINESS:**

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

#### **ITEM NO. 1**

**“RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Ms. Seema Rani (holding DIN No. [08385581](#)), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 22<sup>nd</sup> October, 2019, pursuant to the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013, and who holds office up to the date of ensuing Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and Articles of Association of the Company, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Ms. Seema Rani as a candidate for the office of Director of the Company, whose office shall be liable to retire by rotation, be and is hereby appointed as a Director of the Company to hold office for a term up to 21<sup>th</sup> Oct, 2024”

For and on behalf of the Board  
For Sarveshwar Foods Limited

**SURENDAR SINGH JASROTIA**  
**MANAGING DIRECTOR & CEO**  
**DIN: 08566350**

**PLACE : JAMMU**  
**DATE : 04/09/2020**



## **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, 22<sup>nd</sup> September, 2020 to Tuesday 29<sup>th</sup> September, 2020 (both days inclusive).
- 6) The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure to save the environment and be eco friendly.
- 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 16th 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, 26<sup>th</sup> September, 2020 (09.00 A.M. IST) and will end on Monday, 28<sup>th</sup> September, 2020 (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 21<sup>st</sup> September, 2020 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 Mr. Nitesh Kumar Ranga of M/S Nitesh Kumar Ranga & Company 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.sarveshwarrice.com](http://www.sarveshwarrice.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 procedure to login to e-Voting website consists of two steps as detailed hereunder:**  
**Step 1 : Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:  
<https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is



is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve

your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting

the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than

individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [cs.serviceprovider@gmail.com](mailto:cs.serviceprovider@gmail.com) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

Please note the following:

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.

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.

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 ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

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.

#### Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

- I. 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 21<sup>st</sup> September, 2020.
- II. 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, 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).

III. Mr. Nitesh Kumar Ranga of M/S Nitesh Kumar Ranga & Company 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.

IV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e [www.sarveshwarrice.com](http://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 NSE National Stock Exchange of India Limited, Mumbai.

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

#### **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> <li>• Himalayan Ancient 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-Member</li> <li>• Corporate Social Responsibility Committee-Member</li> <li>• Risk Management Committee-Member</li> </ul>
<b>Chairman/ Member of the Committee of Board of Directors of other companies</b>	NIL



## **SPECIAL BUSINESS :**

### **ITEM NO. 1**

The Board of Directors at their meeting held on 22<sup>st</sup> October,2019 appointed Ms. Seema Rani as Additionla Director of the company to take effect from 22<sup>st</sup> October,2019. Ms. Seema Rani holds office upto ensuing of Annual General Meeting.

In terms of section 152 and other applicable provisions of companies act,2013 Ms. Seema Rani,being eligible and seeking for appointment, is proposed to be appointed as an Executive Director to hold office upto 21<sup>st</sup> Oct,2024.The company has received a notice in writing under the provisions of Section 160 of the companies act,2013 from the member along with deposit of Rs.1,00,000/- proposing the candidature of Ms. Seema Rani for the office of director under applicable provisions of Companies act,2013.

In opinion of the board of directors , Ms. Seema Rani, proposed to be appointed as an Executive Director, fulfills the conditions specified in the Companies act,2013 and rules made thereunder. The board considers that his association would be of immense benefit to the company.

The resolution seeks the approval of members for th appointment of Ms. Seema Rani as a director of the company upto 21<sup>st</sup> October,2024, pursuant to applicable provisions of the companies act,2013 and rules made thereunder. She is liable to retire by rotation.

None of the directors, key Managerial personal or their relative, except Ms. Seema Rani, to whom the resolution realted, are interested or concered in this resolution.

The Board recommends the resolution set forth in ITEM NO 1 for approval of members.

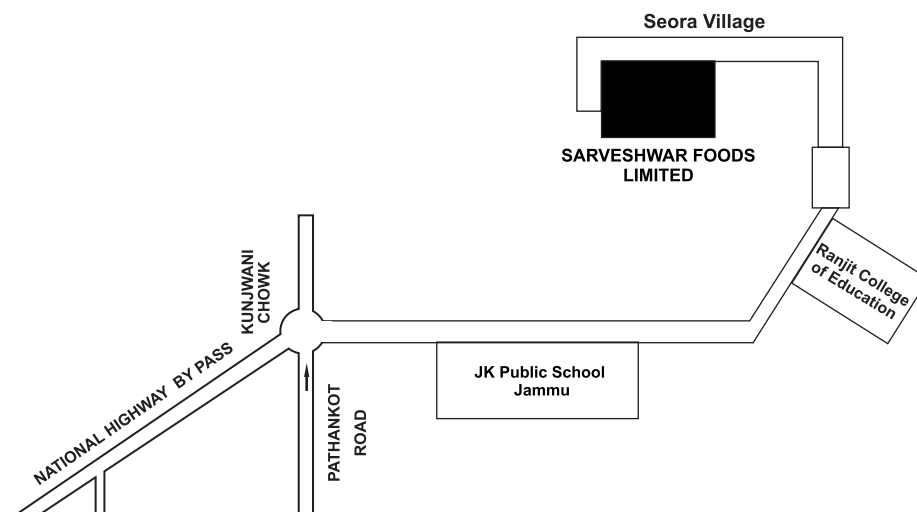
This explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and disclosure Requirements ) Regulations,2015 with the Stock Exchange.

## ANNEXURE TO NOTICE

**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> <li>• Himalayan Ancient 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-Member</li> <li>• Corporate Social Responsibility Committee-Member</li> <li>• Risk Management Committee-Member</li> </ul>
<b>Chairman/ Member of the Committee of Board of Directors of other companies</b>	NIL

### ROUTE MAP OF AGM VENUE ( TO BE INCLUDED ON THIS PAGE)



## DIRECTOR'S REPORT

TO  
THE MEMBERS  
SARVESHWAR FOODS LIMITED  
REGISTERED OFFICE: SARVESHWAR HOUSE, BELOW GUMMAT,  
JAMMU-J&K

Dear Members

Your Directors have pleasure in presenting their 16th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2020.

### FINANCIAL RESULTS

Your Company's financial performance for the year under review has been subdued due to abolishment of Article 370 and covid -19 where by the company operations were effected for a period of three months. Sarveshwar has a very strong brand presence and penetration in the market with a well organized sales & distribution network..The group has grown by 15% on monthly sales on consolidated basis( with given 9 months of working)as compared with Previous Year 12 months.. Key aspects of Consolidated and Standalone Financial Performance of Sarveshwar Foods Limited for the current Financial Year 2019-2020 along with the previous Financial Year 2018-2019 are tabulated below:

(Rs. In Lakhs)

PARTICULARS	CONSOLIDATED		STANDALONE	
	Year Ended 31 March, 2020	Year Ended 31 March, 2019	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Revenue from operations	48744.35	56648.08	19922.90	23035.08
Other Income	427.03	364.39	296.96	230.97
<b>Total Income</b>	<b>49171.38</b>	<b>57012.48</b>	<b>20219.86</b>	<b>23266.05</b>
Expenses	46290.11	53068.33	19113.37	21426.13
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>2881.27</b>	<b>3944.15</b>	<b>1106.48</b>	<b>1839.92</b>
Depreciation and Amortization Expenses	222.97	231.16	81.77	80.46
Finance Costs	1959.23	1370.94	799.26	470.57
<b>Profit before Exceptional Items and Tax</b>	<b>699.07</b>	<b>2342.05</b>	<b>225.45</b>	<b>1288.89</b>
Exceptional Items	NIL	NIL	NIL	NIL
<b>Profit before Tax (PBT)</b>	<b>2342</b>	<b>2174</b>	<b>1289</b>	<b>1461</b>
Tax expense:				
Current Year	148.02	537.97	59.69	377.81
Deferred Tax Credit	(20.26)	(7.86)	(9.62)	(6.25)
<b>Profit After Tax (PAT)</b>	<b>571.31</b>	<b>1811.94</b>	<b>175.39</b>	<b>917.33</b>
Minority Interest	N.A	1.81	N.A	N.A
<b>Profit after Taxes and Minority Interest</b>	<b>571.31</b>	<b>1810.13</b>	<b>175.39</b>	<b>917.33</b>
<b>Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Earning Per Share (Face Value of Rs. 10/- each)	2.33	7.37	0.71	3.73



## FINANCIAL REVIEW:

The Highlights of Company's performance for Financial Year 2019-2020 on consolidated basis are as under:

- Company's Revenue from Operations is Rs 49171 Lacs (P.Y. Rs. 48187Lacs).
- Company's Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) is 2881.27 Lacs.
- Company's Profit before Tax is 699.07 Lacs
- Net Worth of the Company is 15922.37 Lacs

## 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, 2020.

## TRANSFER OF RESERVES:

In view of the robust financial strength of the Company, a sum of Rs. 8.77 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 2019-20 and the authorised share capital of the company remains same as on 31<sup>st</sup> March, 2020 i.e Rs. 30,00,00,000. (INR Rs Thirty Crores)

The paid up equity share capital of the Company as on March 31, 2020 is **Rs. 245672000. (INR Rs. Twenty Four Crores Fifty Six Lakhs Seventy two Thousand)** The Company has no other type of securities except equity shares forming part of paid up capital.

**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. except the impact of the Articles 370 and Covid -19.

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

There is no change in the nature of business of the Company during the financial year 2019-2020.

## **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 2019-20. The Consolidated Financial Statements of your Company for the financial year 2019-20 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. 49171 Lacs in current year as compared to Rs. 57012 Lacs in the previous year. Consolidated Net Profit after Tax increase to Rs. 571 Lacs as compared to Rs.

1812Lacs in the previous year. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Sunday and holiday upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Compliance Officer at the Registered Office / Corporate Office of your Company. The financial statements including the consolidated financial statements, Statement containing salient features of the financial statement of Subsidiaries and all other documents shall also be available on Company's website [www.sarveshwarrice.com](http://www.sarveshwarrice.com) downloadable format.

#### BOARD OF DIRECTORS:

As on March 31, 2020, your Company's Board has a strength of 9 (Nine) Directors including 1 (One) Woman Director. The Chairman of the Board is a Honorary Chairman. The composition of the Board is as below:

Category	Number of Directors	% to Total Number of Directors
Executive Directors (Including Woman Director)	4	44.44%
Independent Non-Executive	4	44.44%
Non Executive Directors	1	11.11%

The detailed section on '**Board of Directors**' is given in the '**Report on Corporate Governance**' forming part of this Annual Report. The Appointment of **Dr. Uttar Kumar Padha (DIN: 07242286)** an Independent Director was confirmed by the shareholders in the Annual General Meeting held on 27<sup>th</sup> September, 2019.

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, is eligible for re-appointment. The brief resume of the Director being re-appointed, the nature of his expertise in specific functional areas, names of companies in which he has held Directorships, Committee Memberships, their

statement to the notice of the ensuing Annual General Meeting and also forming part of Corporate Governance Report. The Board recommends his re-appointment at the ensuing Annual General Meeting.

#### AUDIT COMMITTEE:

As on March 31, 2020, the Audit Committee of Sarveshwar Foods Limited comprises of following 3 (Three) Members, with majority of Independent Non-Executive Directors:

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

All the recommendation made by the Audit Committee was accepted by the Board of 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
1	Mr. Surendar Singh Jasrotia	Managing Director & CEO
2	Mr. Sourabh Mehta	Chief Financial Officer

Resignation of Mr. Rohit Gupta from the post of Managing Director of the Company w.e.f. 26<sup>th</sup> August, 2019 and Redesignated as Non –executive Chairman of the Company w.e.f 26<sup>th</sup> August, 2019.

Mr. Surendar Singh Jasrotia has been appointed as the Managing Director and CEO of the Company w.e.f. 26<sup>th</sup> August, 2019.

Resignation of Mr. Manoj Chopra from the post of Chief Financial Officer of the company w.e.f. 22<sup>th</sup> October, 2019.

Mr. Sourabh Mehta has been appointed as the Chief Financial Officer of the Company w.e.f. 05<sup>th</sup> February, 2020.

Resignation of Ms. Ishrat Gill from post of Company Secretary

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

The following Directors has been appointed and resigned during the year:-y of the Company w.e.f 13<sup>th</sup> June, 2020.

S.No.	Name of Persons	Designation	Appointment/Resignation	Date of Appointment/Resignation
1	Dr. Uttar Kumar Padha	Independent Director	Appointment	26/08/2019
2	Mr. Rohit Gupta	Managing Director	Resignation	26/08/2019
3	Mr. Rohit Gupta	Chairman	Appointment	26/08/2019
3	Mr. Surendar Singh Jasrotia	Managing Director & CEO	Appointment	26/08/2019
4	Mr. Anil S Anil Kumar	Joint Managing Director	Appointment	26/08/2019
5	Jagdish Lal Sharma	Independent Director	Resignation	26/08/2019
5	Seema Rani	Additional Director	Appointment	22/10/2019
6	Mr. Arvind Das	Whole Time Director	Appointment	5/2/2020
7	Mr. Arvind Das	Whole Time Director	Resignation	17/03/2020

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

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

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

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

iii) To formulate the criteria for evaluation of Independent Director and the Board.

iv) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to 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 2019-2020, Seven 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 2019-2020, 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 2019-2020.

#### **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 sub-section (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 as 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).

#### **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.

#### **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.

#### **RISK MANAGEMENT POLICY:**

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

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

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

#### **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. 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, 2020.

#### **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	2019-20	2018-19
<b>Through Electricity Purchases</b>		
Units	936500	865370
Total Amount (Rs.)	39.72	38.96
<b>Through Diesel</b>		
Total Amount (Rs.)	7.23	4.16

##### **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.

### **Innovation:**

Technology is changing day by day. 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 realised and agrees that the continuous improvement can be achieved only if the employees involved in the process directly or indirectly are highly trained on modern techniques and are aware of Global Standards. One such step taken by the Company in that direction is to start Manufacturing Excellence and Improvement Program. The key highlights of this improvement drive were – 5S, Maintenance Improvement Techniques, Reliability Matrix, MTTR & MTBF etc., which are highly beneficial and globally accepted programs for process improvement.

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

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

Particulars	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Foreign Exchange earnings	2909.99	3475.58
Foreign Exchange outgo	61.69	51.50

### **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)(C) of the Companies Act, 2013, the Director's based on the representations received from the operating management and after due inquiry confirm that:-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- The directors had prepared the annual accounts on a going concern basis; and
- 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
- 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 2019-2020 to NSE where the Company's Shares are listed.

**ACKNOWLEDGEMENTS:**

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

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

**SURENDAR SINGH JASROTIA  
MANAGING DIRECTOR & CEO  
DIN: 08566350**

**ANIL KUMAR  
DIRECTOR  
DIN: 07417538**

**DATE: 04/09/2020  
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.	Form MR-3 Secretarial Audit Report
V.	Details of subsidiaries and Joint Venture in Form AOC-1



**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****[As on the Financial Year Ended****on 31<sup>st</sup> March, 2020**

[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:

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

### 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				No. of Shares held at the end of the year				% Change during the year
	(As on 31st March, 2019)				(As on 31st March, 2020)				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	18088800	Nil	18088800	73.63	18099800	Nil	18099800	73.675	0.06
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 Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	11000	Nil	11000	0.045	Nil	Nil	Nil	Nil	(0.045)
Sub-total (A) (1):	18099800	Nil	18099800	73.675	18099800	Nil	18099800	73.675	Nil
(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
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total share holding of Promoter (A) = (A)(1)+(A)(2)	18,099,800	Nil	18,099,800	73.675	18,099,800	Nil	18,099,800	73.675	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	(As on 31st March, 2019)				(As on 31st March, 2020)				
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / 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)	9600	Nil	9600	0.039	Nil	Nil	Nil	Nil	(0.039)
Sub-total (B)(1):-	9,600	Nil	9,600	0.039	Nil	Nil	Nil	Nil	0.039
2. Non Institutions									
a) Bodies Corp.									
i) Indian	999436	Nil	999436	4.068	811200	Nil	811200	3.3	(18.83)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakh	3154925	Nil	3154925	12.842	2758020	Nil	2758020	11.23	(12.58)



ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1721600	Nil	1721600	7.0077	2004800	Nil	2004800	8.16	16.45
c) Others									
i) Non Residents Indian (Repat)	497600	Nil	497600	2.025465	500800	Nil	500800	2.04	0.64
ii) Non Residents (Non Repat)	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	246400	Nil	246400	1	1
v) Clearing Member	84239	Nil	84239	0.343	146180	Nil	146180	0.6	73.53
vi) Investor Education and Protection Fund (Ministry of Corporate Affairs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>6457800</b>	<b>Nil</b>	<b>6457800</b>	<b>26.286</b>	<b>6467400</b>	<b>Nil</b>	<b>6467400</b>	<b>26.32</b>	<b>0.14</b>
<b>Total Public Shareholding(B)=(B)(1) + (B)(2)</b>	<b>6,467,400</b>	<b>Nil</b>	<b>6,467,400</b>	<b>Nil</b>	<b>6,467,400</b>	<b>Nil</b>	<b>6,467,400</b>	<b>26.325</b>	<b>Nil</b>
<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>	<b>24,567,200</b>	<b>Nil</b>	<b>24,567,200</b>	<b>100</b>	<b>24,567,200</b>	<b>Nil</b>	<b>24,567,200</b>	<b>100</b>	<b>Nil</b>

**(ii) Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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.	<b>Rohit Gupta</b>	18088800	73.629	NIL	18088800	73.629	NIL	NIL
2.	<b>Suraj Parkash Gupta</b>	10200	0.0415	NIL	10200	0.0415	NIL	NIL
3.	<b>Radha Rani Gupta</b>	200	0.0009	NIL	200	0.0009	NIL	NIL
4.	<b>Pooja Gupta</b>	200	0.0009	NIL	200	0.0009	NIL	NIL
5.	<b>Nav Nidhi</b>	200	0.0009	NIL	200	0.0009	NIL	NIL
6.	<b>Ram Rattan Gupta</b>	200	0.0009	NIL	200	0.0009	NIL	NIL
<b>TOTAL</b>		<b>18099800</b>	<b>18099800</b>	<b>73.675</b>	<b>NIL</b>	<b>73.675</b>	<b>NIL</b>	<b>NIL</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 01/04/2018	% 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
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**(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 (01-04-2018 to 31-03-2019)	
	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	409600	1.66	March,2020	409600	Nil	409600	1.66
02.	Paladugu Dhananjaya Rao	408000	1.66	March,2020	408000	Nil	408000	1.66
03.	Bal Krishen	406400	1.65	March,2020	406400	Nil	406400	1.65
04.	Keynote Capitals Ltd	297600	1.21	March,2020	313600	Purchase	313600	1.27
05.	Backbay Equity Partners LLP	243200	0.99	March,2020	243200	Nil	243200	0.99
06.	P F Dadabhao	182400	0.74	March,2020	182400	Purchase	182400	0.74
07.	Sumpoorna Portfolio Limited	145600	0.59	March,2020	Nil	Sale	14500	0.59
08.	Sahil Gupta	NIL	NIL	March,2020	126400	Purchase	126400	0.51
09.	G Das Capital Markets Private Limited	124800	0.51	March,2020	124800	Nil	124800	0.51
10.	Share khan limited	1600	0.006	March,2020	48000	Purchase	48000	0.002

**(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 (01-04-2018 to 31-03-2019)	
	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	73.629	March,2020	Nil	Nil	1,80,88,800	73.629
02.	Anil Kumar	200	0.001	March,2020	NIL	NIL	200	0.0009
03.	Gayatri Tandon	1600	0.006	March,2020	NIL	NIL	1600	0.006
04.	Thyagarajan Kumaran	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
05.	Tej Partap	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
06.	Adarsh Kumar Gupta	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
07.	Seema Rani	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
08.	Dr. Uttar Kumar Padha	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
09.	Surendar Singh Jasrotia	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
10.	Jagdish Lal Sharma	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
11.	Arabind Das	NIL	NIL	March,2020	NIL	NIL	NIL	NIL
<b>KEY MANAGERIAL PERSONNEL:</b>								
01.	Ms Ishrat Gill (CS)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
02.	Mr. Sourabh Mehta (CFO)	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	10195.21/-	Nil	Nil	10195.21/-
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)	10195.21/-	Nil	Nil	10195.21/-
Change in Indebtedness during the financial Year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	10195.21/-	Nil	Nil	10195.21/-
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	10195.21/-	Nil	Nil	10195.21/-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs.In Lacs

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		SURENDER SINGH JASROTHIA (MANAGING DIRECTOR & CEO)	ANIL KUMAR (DIRECTOR)	GAYATRI TANDON (EXECUTIVE DIRECTOR)	SEEMA RANI (ADDITIONAL DIRECTOR)	
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 Act, 1961	14.88	13.04	9.03	4.31	41.26
2	Stock option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission - as % of profits - others	Nil	Nil	Nil	Nil	Nil
5	Others	Nil	Nil	Nil	Nil	Nil
	Total A	14.88	13.04	9.03	9.03	41.26
	Ceiling as per the Act	11% of Net Profit				

**B. REMUNERATION TO OTHER DIRECTORS:**

Rs.In Lacs

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors  Fee for attending board / committee meetings •Commission •Others	ADARSH KUMAR GUPTA  0.75	TEJ PARTAP  Nil	JAGDISH LAL SHARMA  0.25	THYAGARAJAN KUMARAN  Nil	UTTAR KUMAR PADHA  0.22	1.22
	Total (1)	0.75	Nil	0.25	Nil	0.22	1.22
2	Other Non Executive Directors •Fee for attending board / committee meetings •Commission •Others	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1) + (2)	0.75	Nil	0.25	Nil	0.22	1.22
	Total Managerial Remuneration	0.75	Nil	0.25	Nil	0.22	1.22
	Overall Ceiling as per the Act	0.25	0.25	0.25	0.25	0.25	0.25

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

Rs.In Lacs

Sl.No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Manoj Chopra (CFO)	Sourabh Mehta (CFO)	Ishrat Gill (CS)	
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 Act, 1961	10.14 Nil Nil	4.05 Nil Nil	5.28 Nil Nil	19.47 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>10.14</b>	<b>4.05</b>	<b>5.28</b>	<b>19.47</b>

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

Type	Section of the Companies Act/SEBI LODR Regulations, 2015	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

**SURENDAR SINGH JASROTIA**  
**MANAGING DIRECTOR & CEO**  
**DIN: 08566350**

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

**DATE: 04/09/2020**  
**PLACE: JAMMU**



## **ANNEXURE -II TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2020**

### **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 31st of March, 2020:**

S.No.	Name	Nature of Directorship	Designation in Committee
01.	Dr. Uttar Kumar Padha	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)

<b>Financial Year</b>	<b>Net Profit Before Tax (Rs. In Lakhs)</b>
2016-2017	1577.06
2017-2018	1460.93
2018-2019	1288.89
<b>Gross Total</b>	<b>4326.88</b>

- Average Net Profit of Three preceding years Rs. 1442.29 Lacs
- Provision of CSR Expenditure @ 2% of average net profits Rs. 28.84 Lacs
- Prescribed CSR Expenditure (two per cent. of the amount as in above item ) Rs. 28.84 Lacs
- Details of CSR spent during the financial year. Rs. 6.32 Lacs (As per the table below)
- Total amount to be spent for the financial year; Rs. 53.63 Lacs (Last Year unspent FY 2018-19 of Rs. 24.79 Lacs included) Amount unspent, if any: - Rs. 47.32 Lacs
- Manner in which the amount spent during the financial year is detailed below.

➤ 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 Sub-heads:  (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)]	Jammu And Kashmir	Rs. 3.16 Lacs	Rs. 3.16 Lacs	Rs. 15.16 Lacs	Sarveshwar Organic Cluster, Sarveshwar Organic Jammu Project, , Sarveshwar Organic Project Jammu, Sarveshwar Organic Kisan Mitra Project, Sarveshwar Organic Kranti Project, Sarveshwar Organic Kisan Khidmat Project, Sarveshwar Organic Kisan Pragti Project, Sarveshwar Organic Kisan Samridhi Project
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)]	Himachal Pradesh	Rs. 3.16 Lacs	Rs. 3.16 Lacs	Rs. 8.60 Lacs	Kisan Samaridhi Society- Bir,  Kisan Shakti Society- Jiya,  Kisan Unnati Project, Una  Kisan Unnati Project 2, Basoli
	<b>TOTAL</b>			<b>Rs. 6.32 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. 28.84 Lacs during the financial year, 2019-20, however, the Company despite of its best efforts for the utilization of eligible amount towards CSR, could spend only Rs. 6.32 Lacs, the unspent amount of Rs. 47.32 Lacs shall be spent in the current financial year.

For and on behalf of Board of Directors

**Date: 04.09.2020**  
**Place: Jammu**

**SURENDAR SINGH JASROTIA**  
**MANAGING DIRECTOR & CEO**  
**DIN: 8566350**

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

**ANNEXURE -III TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2020****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>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name (s) of the related party & nature of relationship	<b>Rohit Gupta, Chairman</b>
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 19-20
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 72 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
2	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 19-20
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 22.50 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
3	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 19-20
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 27.00 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL



<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
4	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 19-20
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 18.98 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
5	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 19-20
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 169.97 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
6	Name (s) of the related party & nature of relationship	<b>Sarveshwar Overseas Limited, Wholly Owned Subsidiary Company</b>
	Nature of contracts/arrangements/transaction	Sales
	Duration of the contracts/arrangements/transaction	F.Y 19-20
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 54.99 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL

**SURENDAR SINGH JASROTIA**  
**MANAGING DIRECTOR & CEO**  
**DIN: 08566350**

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

**DATE: 04/09/2020**  
**PLACE: JAMMU**

**ANNEXURE -IV TO DIRECTORS REPORT  
FOR THE YEAR ENDED 31ST MARCH, 2020  
FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED  
31ST MARCH, 2020**

**[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  
Sarveshwar House  
Below Gumat,  
Jammu, Jammu & Kashmir -180001**

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 "M/s Sarveshwar Foods Limited" books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**PARA ONE**

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "M/s Sarveshwar Foods Limited" ("the Company") for the financial year ended on 31st March, 2020 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;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the company during Audit Period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the company during Audit Period)
- (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 Employees 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, CSR Provision for the financial year, 2019-20 is Rs 28,84,667, and the expenditure for the same amounts to RS 6,32,000.

#### **Observations in Clause (i) Para One of Our Report-**

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.
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.

- ❖ Appointment of Mr. Surender Singh Jasrotia as Executive Director of the company on 26<sup>th</sup> August, 2019.
- ❖ Appointment of Ms Seema Rani as Additional Director of the company on 22<sup>nd</sup> October, 2019.
- ❖ Resignation of Jagdish Lal Sharma on 26<sup>th</sup> August, 2019.
- ❖ Resignation of Mr. Rohit Gupta from the post of Managing Director and appointment of Mr Rohit Gupta as Non – Executive Chairman.
- ❖ Appointment of Mr. Sourabh Mehta as Chief Financial Officer of the company on 05<sup>th</sup> February, 2020
- ❖ Appointment of Dr. Uttar Kumar Padha as Independent Director on 26<sup>th</sup> August, 2020. Appointment of Arabind Das as whole time Director on 05<sup>th</sup> Feb, 2020. Resignation of Arabind Das on 17<sup>th</sup> March, 2020.

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

**Sd/-  
Aamir Aslam  
M.No: 49608  
CP No: 18068**

**Place: Srinagar  
Date: 31.07.2020**

## 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, 2020 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 to 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

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

Sd/-  
**Aamir Aslam**  
M.No: 49686  
CP No: 18068  
Place: Srinagar  
Date: 31.07.2020

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sarveshwar Foods Limited** having **CIN L15312JK2004PLC002444** and having registered office at **SARVESHWAR HOUSE BELOW GUMAT JK** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary' and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry' of Corporate Affairs, or any such other Statutory Authority Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor o of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Yamina Aslam and Associates  
Practising Company Secretaries**

**Aamir Aslam**  
M.No: 49686  
CP No: 18068  
Place: Srinagar  
Date: 31/07/2020



**ANNEXURE -V TO DIRECTORS REPORT  
FOR THE YEAR ENDED 31ST MARCH, 2020**

**Statement Containing certain financial  
information of subsidiaries, associate  
Companies and Joint Ventures of Sarveshwar  
Foods Limited as at 31st March 2020  
Statement pursuant to first proviso to Sub-  
Section (3) of Section 129 read with Rule 5 of  
Companies (Accounts) Rules, 2014  
PART-A "SUBSIDIARIES"**

(Rs. In Lakhs)

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	28-04-15	22-06-17	07-12-17
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	280.23	56.67
	Preference Share Capital	2200.00	NIL	NIL
6	Reserves & Surplus	603.79	1877.65	839.49
7	Total assets	19733.89	3091.02	1010.60
8	Total Liabilities	19734	3091.02	1010.60
9	Investments	NIL	NIL	NIL
10	Turnover	19918.98	7287.73	1860.36
11	Profit before taxation	51.20	288.75	133.67
12	Provision for taxation	7.07	70.62	NIL
13	Profit after taxation	44.13	218.13	133.67
14	Proposed Dividend	NIL	NIL	NIL
15	% of shareholding	99.00%	100.00%	100.00%
AED: Exchange Rate as on 31/03/2020 is Rs.18.89/- per AED for Balance Sheet AED: Exchange Rate as on 31/03/2020 is Rs.19.03/- per AED for Profit & Loss				

**CFO Certification pursuant to Regulation  
17(8) of SEBI ( Listing Obligations &  
Disclosure Requirements), 2015 for the  
financial year ending 2019-20**

To,  
The Board of Directors,  
M/s. Sarveshwar Foods Limited  
Sarveshwar House, Below Gummat, Jammu  
J&K -180001

This is to certify that:

a) We have reviewed financial statements and cash flow statement for the year 2019-2020 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 violate 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,

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

Sourabh Mehta  
Chief Financial Officer

Dated: 31/07/2020  
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 a Woman Director which clearly demarcate the functions of governance and management. As on March 31, 2020, your Company's Board has a strength of 9 (Nine) Directors including 1 (One) Women Director and one (1) Honorary Chairman. The composition of the Board is given below:

Category	Number of Directors	% to Total No. of Directors
Executive Directors (Including Woman Director)	4	44.44%
Independent Non - Executive Directors	4	44.44%
Non Executive Director	1	11.11%

At present there are 4 (Four) Independent Non-Executive Directors on the Board of Sarveshwar Foods Limited which is in compliance with the provisions of Composition of Board as per SEBI Listing Regulations. All Independent Directors are drawn from amongst eminent professionals with expertise in Business/Finance/Law/Public

Enterprises and other allied field. All Independent Directors adhere to the criteria defined under Regulation 16 of SEBI Listing Regulations read with the provisions of Section 152, 149 and other applicable provisions of the Companies Act, 2013.

#### **B. ROTATION OF DIRECTORS:**

The Independent Directors of your Company will hold office for 5 (Five) consecutive years from the date of appointment in the 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 August 26, 2019 had appointed Dr. Uttar Kumar Padha (DIN:07242286) as an Independent Director under the category Independent Non-Executive and the members of the Company in their General Meeting held on September 27, 2019.

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 is 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 2019-2020:

Brief Information about Directors		Attendance Record during financial year 2019-2020		Directorship/Membership/Chairmanship as on March 31, 2020			
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, 2020	Number of Committee Positions held in all Companies* as on March 31, 2020	
		Held	Attended			Chairman	Member
<b>Executive Directors:</b>							
Mr. Surendar Singh Jasrotia	08566350	7	5	Yes	02	Nil	Nil
Mr. Anil Kumar	07417538	7	7	Yes	04	Nil	03
Dr. Gayatri Tandon	07417422	7	3	Yes	03	Nil	Nil
Miss Seema Rani	08385581	7	02	No	02	Nil	Nil
Jagdish Lal Sharma	07874555	7	02	Yes	Nil	Nil	Nil
Arabind Das	07046650	7	01	No	Nil	Nil	Nil
<b>Independent Non-Executive Director:</b>							
Mr. Thyagarajan Kumaran	07465316	7	02	No	02	Nil	Nil
Dr. Tej Partap	07818713	7	03	Yes	01	Nil	04
Dr. Uttar Kumar Padha	07242286	7	05	Yes	02	02	03
Mr. Adarsh Kumar Gupta	08135776	7	05	yes	01	03	Nil
<b>Non – Executive Director</b>							
Mr. Rohit Gupta	02715232	7	05	yes	04	Nil	Nil



**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 their Appointment/change in designation.

**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:**

S.No	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
	For each of the Non-Executive Directors	No. of Shares at the beginning	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
<b>DIRECTORS:</b>								
1	Rohit Gupta	1,80,88,800	73.629	March, 2020	Nil	Nil	1,80,88,800	73.629
2	Thyagarajan Kumaran	NIL	NIL	March, 2020	NIL	NIL	NIL	NIL
3	Dr. Tej Partap	NIL	NIL	March, 2020	NIL	NIL	NIL	NIL
4	Adarsh Kumar Gupta	NIL	NIL	March, 2020	NIL	NIL	NIL	NIL
5	Dr. Uttar Kumar Padha	NIL	NIL	March, 2020	NIL	NIL	NIL	NIL
06..	Jagdish Lal Sharma	NIL	NIL	March, 2020	NIL	NIL	NIL	NIL

## **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 recognized or exposes the company to excessive risk.
- In order to fulfill their responsibilities, board members have access to accurate, relevant and timely information.
- The Board and Senior Management facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

### **Role of Independent Directors:**

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

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

### **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, 2020 are given below:

<b>Name</b>	<b>Number of Shares Held</b>
Mr. Rohit Gupta	1,80,88,800
Mr. Anil Kumar	200
Dr. Gayatri Tandon	1600
Mr. Thyagarajan Kumaran	Nil
Dr. Tej Partap	Nil
Mr. Adarsh Kumar Gupta	Nil
Dr. Uttar Kumar Padha	Nil
Mr. Surendar Singh Jasrotia	Nil
Ms. Seema Rani	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 4 years, is the Executive Director of your 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 **Disclosure of relationship between directors inter-se:**

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

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

- (i) Sarveshwar Overseas Limited
- (ii) Himalayan Bio Organic Foods Private Limited
- (iii) Himalayan Ancient Foods Private Limited

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**

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

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

All the members of the Committee have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Adarsh Kumar Gupta, has more than thirty two (32) years of experience in the banking sector. He worked with J&K Bank for a period of 32 years at various positions. The Statutory Auditors of the Company attend the meetings of the Committee on the invitation of the Chairman.

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

**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 2019-2020, 3 (Three) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by members during the financial year 2019-2020 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	29/05/2019	3	2	66.66
02.	26/08/2019	3	2	66.66
03.	13/11/2019	3	2	66.66

## II) NOMINATION AND REMUNERATION COMMITTEE:

### A. Composition of the Committee

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

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

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

### 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 2019-2020, 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

2019-2020 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	05/02/2020	3	2	66.66
02.	Nil	3	2	66.66
03.	Nil	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.sarveshwarrice.com](http://www.sarveshwarrice.com).

#### E. Remuneration of Directors

Details of Remuneration and Sitting Fees paid to the Directors during the Financial Year 2019-2020 are as follows:

Name of Directors	Salaries	Perquisites	Sitting Fees*	Total
Mr. Rohit Gupta	-	-	-	-
Mr. Anil Kumar	Rs.1303618/-	-	-	Rs.1303618/-
Dr. Gayatri Tandon	Rs.902545/-	-	-	Rs.902545/-
Mr. Surender Jasrotia	Rs.1488403/-	-	-	Rs.1488403/-
Ms. Seema Rani	Rs.431255/-	-	-	Rs.431255/-

Name of Directors	Salaries	Perquisites	Sitting Fees*	Total
Mr. Adarsh Kumar Gupta	-	-	Rs.75000/-	Rs.75000/-
Dr. Tej Partap	-	-	-	-
Mr. Jagdish Lal	-	-	Rs.25000/-	Rs.25000/-
Dr. Uttar Kumar Padha	-	-	Rs.22000/-	Rs.22000/-
Mr. Thyagarajan	-	-	-	-

#### III) Stakeholders Relationship Committee:

##### A. Composition of the Committee

The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

- Mr. Adarsh Gupta, Chairman;
- Dr. Tej Partap, Member;
- Dr. Uttar Kumar Padha, Member

##### B. Terms of Reference

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

- 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;
- 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.;
- 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
- 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 2019-2020.

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

##### **A. Composition of the Committee**

The CSR Committee presently consists of the following Directors of the Board:

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

##### **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**

There was no Corporate social responsibility meeting held during Financial Year 2019-2020.

#### **V) Risk Management Committee:**

##### **A. Composition of the Committee**

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

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

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

##### **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 2019-2020.

#### **5. MATERIAL SUBSIDIARY COMPANIES:**

Sarveshwar Foods Limited has two material subsidiaries i.e. Sarveshwar Overseas Limited, Himalayan Bio Organic Foods Private Limited as defined under Regulation 16(1)(c) of the SEBI Listing Regulations.

The Company has formulated a policy for determining its Material Subsidiaries and the same is available on the website of the Company at [www.sarveshwarice.com](http://www.sarveshwarice.com).



## 6. DETAILS OF ANNUAL GENERAL MEETINGS:

Financial Year	General Meeting	Location	Date	Time
2018-2019	15th AGM	Raddison Blu Hotel, Raddison Square, Narwal Bala, Bypass Road, Jammu, Jammu & Kashmir- 180006	27 <sup>th</sup> September, 2019	11:00 AM.
2017-18	14 <sup>th</sup> AGM	Raddison Blu Hotel, Raddison Square, Narwal Bala, Bypass Road, Jammu, Jammu & Kashmir- 180006	25 <sup>th</sup> September, 2018	03:00 P.M.
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

During the last three Annual General Meetings, two special resolutions was passed by the Shareholders of the Company.

Special Resolutions was passed in previous Annual General Meeting ( FY 2018-2019) for following special business:

- 1.Approval of Sarveshwar foods Limited Employee Stock Option Scheme 2019(SFL ESOS 2019).
- 2.Approval of SFL ESOS Trust for the eligible employees of the Company.

**Extra Ordinary General Meetings held during the financial year 2019-2020:**

**No Extra Ordinary General Meeting was conducted during the Financial Year 2019-2020.**

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

During the financial year 2019-2020, Following Special Resolution was passed through postal ballot

- 1.Approval of Sarveshwar foods Limited Employee Stock Option Scheme 2019(SFL ESOS 2019).
- 2.Approval of SFL ESOS Trust for the eligible employees of the Company.

## 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 was no case 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 2019-2020.

## **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 16th 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.sarveshwarrice.com](http://www.sarveshwarrice.com).

Day, Date & Time	Tuesday  September 29,2020  11.00 A. M
Venue	SFL Meeting Hall,Village Seora,Baba Fareed Nagar,Bisnah –Kunjwani Road,Jammu (J& K) -181132
Financial Calendar	The Financial year of the Company start from 1st April of a year and ends on March 31 of the following year.
<b>Tentative Schedule for declaration of results during the financial year 2019-2020</b>	
• 1st Half Year (September, 2019)	Second week of November,2019
• 2 <sup>nd</sup> Half Year (March, 2020) and Audited : Financial Results for the year ended 31st March, 2020	Last week of July, 2020
Date of Book Closure	From Tuesday , 22th September, 2020 to tuesday, 29 <sup>th</sup> September, 2020(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 2019-2020 on National Stock Exchange of India Limited.**

Month	National Stock Exchange of Indian Limited (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
March, 2020	43.85	9.05

## 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:

<b>National Securities Depository Limited (NSDL)</b>  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  Website: www.nsdl.co.in	<b>Central Depository Services (India) Limited (CDSL)</b>  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
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## 12. DIVIDEND

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



### 13. RECONCILIATION OF SHARE CAPITAL AUDIT

Mr. Aamir Aslam, M/s Yamina Almas & Associates, ACS Number-49686, CP Number -18068, Practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the Reconciliation of Total Issued and Listed Capital with that of total share capital admitted / held in Dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed.

### 14. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2020:

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	00	00
	(c) Financial Institutions/Banks	-	-
	(d) Foreign Institutional Investors	-	-
	2. Non-Institutions		
	(a) Individuals	4762820	19.39
	(b) Trust	-	-
	(c) Hindu Undivided Family	246400	1.0
	(d) Non-Resident	500800	2.04
	(e) Clearing Members	146180	0.60
	(f) Bodies Corporate	811200	3.30
	<b>Sub Total</b>	<b>24567200</b>	<b>100</b>

**15. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON MARCH 30, 2019:**

S.No	Name of Top Ten Shareholders	Number of Shares held	% of Shares
01.	NADIKATTU RAMI REDDY	409600	1.66
02.	PALADUGU DHANANJAYA RA O	408000	1.66
03.	BAL KRISHEN	406400	1.65
04.	KEYNOTE CAPITALS LTD	297600	1.21
05.	BACKBAY EQUITY PARTNERS LLP	243200	0.99
06.	P F DADABHAO	182400	0.74
07.	Dr. Ramesh Chimanlal Shah	132800	0.54
08.	SAHIL GUPTA	126400	0.51
09.	G DAS CAPITAL MARKETS PRIVATE LIMITED	124800	0.51
10.	Sharekhan Limited	108800	0.44

**16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020**

NOMINAL SHARE HOLDERS	NUMBER OF SHARE HOLDERS	PERCENTAGE OF SHARES %	SHARE AMOUNT (RS)	PERCENTAGE %
1-5000	06	0.3863	10060	0.0041
5001-10000	01	0.0644	5740	0.0023
10001-20000	1305	84.0309	20879940	8.4991
20001-30000	01	0.0644	26260	0.0107
30001-40000	126	8.1133	4032000	1.6412
40001-50000	27	1.7386	1296000	0.5275
50001-100000	37	2.3825	2720000	1.1072
100000-999999999	50	3.2196	216702000	88.2079
<b>Grand Total</b>	<b>1553</b>	<b>100.00%</b>	<b>245672000</b>	<b>100.00%</b>

**17. ADDRESS FOR CORRESPONDENCE:**

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

## DECLARATION BY MANAGING DIRECTOR

I, **Surender Singh Jasrotia**, (DIN: **08566350**) 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, 2020.

By Order of the Board  
For Sarveshwar Foods Limited

**SURENDAR SINGH JASROTIA**  
**MANAGING DIRECTOR & CEO**  
**DIN: 08566350**  
**Place: Jammu**  
**Date: 04-09-2020**

## 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, 2020 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, 2019 to 31st March 2020.

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/-  
**Aamir Aslam**  
**M.No: 49686**  
**CP No: 18068**  
**Place: Srinagar**  
**Date: 31/07/2020**

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

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **SARVESHWAR FOODS LIMITED** ("hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss, and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

The Group inventory balance as at March 31, 2020, is Rs. 192.75 crores. The outbreak of COVID 19 pandemic in India led the Government of India impose a nationwide lockdown starting March 25, 2020. Due to closures of non-essential offices and manufacturing units along with a severe restriction in movement of people, the physical verification of inventory balances was not carried out by us for March 31, 2020. The management of Holding Company were able to perform year end physical verification of inventories subsequent to the year-end only after the local movement restrictions were lifted by the State Government. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance issued by the Institute of Chartered Accountants of India.

Our opinion is not modified in respect of these matters

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, management discussion and analysis and report on corporate governance, but does not include the financial statements and our auditor's report thereon. The director's report, management discussion and analysis and report on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the Companies Included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors

of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the

other auditors and management certified accounts as referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statement of one of subsidiaries included in the consolidated financial result, whose annual financial statements reflect total asset of AED 5,350,119/- as at March 31, 2020 and the total revenue of AED 9,774,304/- for the year ended March 31, 2020. These financial statements and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial result, in so far as it relates to

the amounts and disclosures included in respect on these subsidiaries, is based solely on the report of such other auditors.

Our conclusion on the Statement is not modified in respect of the above matter

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

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to

be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- I. The Company did not have any pending litigations for which there were any impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 20503150AAAVJ1409**  
**Place: Delhi**  
**Date: July 31, 2020**

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

**(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (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.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties are held in the name of the company.
- (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. As explained to us, the management was able to perform year end physical verification of inventories subsequent to the year-end only after the local movement restrictions due to COVID 19 were lifted by the State Government. Due to closures of non-essential offices and manufacturing units along with a severe restriction in movement of people, the physical verification of inventory balances was not carried out by us for March 31, 2020. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance

issued by the Institute of Chartered Accountants of India.

- (iii) The company has granted loan to its subsidiary company namely Sarveshwar Overseas Ltd, which is covered in the register maintained under Section 189 of the Companies Act, 2013. Terms and conditions of the grant of such loan are not prejudicial to the company's interest. The schedule of repayment of principal and payment of interest has been stipulated. As per the repayment schedule, repayment of the said loan was not due during the year under audit.
- (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.
- (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.
- (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.
- (vii) According to the information and explanations given to us and on the basis of our examination of the books of account, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and any other dues, during the year, with the appropriate authorities.



- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, 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, 2020 for a period of more than six months from the date they became payable.
- © There are no dues of Income-tax, Sales-tax, Excise Duty, GST and Service Tax which have not been deposited as on March 31, 2020, on account of disputes with the related authorities.
- (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.
- (ix) In our opinion and according to the information and explanations given to us, the Company has availed a term loan during the year, which have been applied for the specified purpose only. The Company has not made an initial public offer during the year.
- (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.
- (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.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all

transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the financial statements, as required by the applicable Indian 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  
UDIN: 20503150AAAAG5580  
Place: Delhi  
Date: July 31, 2020.**

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SARVESHWAR FOODS LIMITED**

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

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

We have audited the internal financial controls over financial reporting of **SARVESHWAR FOODS LIMITED** (“the Company”) as at March 31, 2020, 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

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, 2020, 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**  
**UDIN: 20503150AAAVG5580**  
**Place: Delhi**  
**Date: July 31, 2020**

**SARVESHWAR FOODS LIMITED**  
**CIN: L15312JK2004PLC002444**  
**Standalone Balance Sheet as at March 31' 2020**

	Note No.	(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
	3		
Share capital		2,456.72	2,456.72
Reserves and surplus	4	9,164.75	9,004.45
		<u>11,621.47</u>	<u>11,461.17</u>
<b>Non current liabilities</b>			
Long term borrowings	5	9.85	8.00
		<u>9.85</u>	<u>8.00</u>
<b>Current liabilities</b>			
Short term borrowings	7	10,195.21	8,620.69
Trade payables	8	1,486.80	1,839.40
Other current liabilities	9	1,253.15	1,974.08
Short term provisions	10	-	91.17
		<u>12,935.16</u>	<u>12,525.35</u>
		<u>24,566.47</u>	<u>23,994.51</u>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
(i) Tangible assets	11	434.54	448.55
Other Non Current Assets	12	3,071.67	3,056.91
Non current Advances	13	1,308.07	1,837.91
		<u>4,814.28</u>	<u>5,343.37</u>
Deferred Tax Assets (Net)	6	26.49	16.87
<b>Current assets</b>			
Inventories	14	8,518.31	14,088.05
Trade receivables	15	10,463.84	3,829.43
Cash and bank balances	16	25.01	12.57
Other Current Assets	17	718.54	704.22
		<u>19,725.70</u>	<u>18,634.27</u>
		<u>24,566.47</u>	<u>23,994.51</u>

Significant accounting policies  
As per our report of even date

2.1

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

**For and behalf of the Board of Directors**  
**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**  
**UDIN: 20503150AAAAGV5580**  
**Place: Delhi**  
**Date: 31/07/2020**

**Surendar Singh Jasrotia**  
**Managing Director & CEO**  
**DIN:8566350**

**Place: Jammu**  
**Date: 31/07/2020**

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

**Place: Jammu**  
**Date: 31/07/2020**

**Sourabh Mehta**  
**Chief Finance Officer**  
**PAN: ALDPM4604L**

**Place: Jammu**  
**Date: 31/07/2020**



**SARVESHWAR FOODS LIMITED**

**CIN: L15312JK2004PLC002444**

**Standalone Statement of Profit and Loss for the year ended March 31, 2020**

	Notes	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>INCOME</b>			
Revenue from operations	18	19,922.90	23,035.08
Other income	19	296.96	230.97
		<b>20,219.86</b>	<b>23,266.05</b>
<b>EXPENDITURE</b>			
Raw materials consumed	20	8,056.77	13,685.50
Purchases	21	5,332.22	9,550.84
Increase / (Decrease) in inventories of semi finished and finished goods	22	4,421.62	(3,151.51)
Employee benefits expenses	23	208.69	196.44
Depreciation expenses	11	81.77	80.46
Finance cost	24	799.26	470.57
Operating and other expenses	25	1,094.07	1,144.85
		<b>19,994.40</b>	<b>21,977.16</b>
<b>Profit before tax</b>		<b>225.45</b>	<b>1,288.89</b>
(a) Current Year Tax		59.69	377.81
(b) Deferred Tax		(9.62)	(6.25)
<b>Profit / (loss) for the year</b>		<b>175.39</b>	<b>917.33</b>
Earnings per equity share	26	<b>0.71</b>	<b>3.73</b>
Basic and diluted annualised		<b>0.71</b>	<b>3.73</b>

Significant accounting policies  
As per our report of even date

**For K R A & Co**

**Firm Registration No: 020266N**

**Chartered Accountants**

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

**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**  
**UDIN: 20503150AAAAGV5580**  
**Place: Delhi**  
**Date: 31/07/2020**

**Surendar Singh Jasrotia**  
**Managing Director & CEO**  
**DIN:8566350**

**Place: Jammu**  
**Date: 31/07/2020**

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

**Place: Jammu**  
**Date: 31/07/2020**

**Sourabh Mehta**  
**Chief Finance Officer**  
**PAN: ALDPM4604L**

**Place: Jammu**  
**Date: 31/07/2020**

**SARVESHWAR FOODS LIMITED**

**CIN: L15312JK2004PLC002444**

**Standalone Statement of Cash Flows for the year ended March 31, 2020**

	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>Cash flow from operating activities</b>		
<b>Profit Before tax</b>	<b>225.45</b>	<b>1,288.89</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Prior Period Items	(15.09)	(104.11)
Depreciation / amortization expenses	81.77	80.46
Interest income	(168.40)	(58.62)
Unrealized foreign exchange loss/ gain	(64.75)	(79.50)
Interest on loan	799.26	470.57
<b>Operating profit before working capital changes</b>	<b>858.25</b>	<b>1,597.69</b>
Movements in working capital :		
Increase / (Decrease) in other liabilities	853.59	4,366.27
Increase / (Decrease) in Trade Payble	(352.61)	(763.29)
(Increase)/ Decrease in trade receivable	(6,634.41)	(2,727.25)
Decrease/(Increase) in Inventory	5,569.74	(1,775.56)
Decrease/ (Increase) in other current assets	(14.31)	1,832.31
<b>Net cash flow (used in) operations</b>	<b>280.25</b>	<b>2,530.17</b>
Less: Direct taxes paid Including Advance taxes	(150.86)	(330.36)
<b>Net cash flow (used in) operating activities (A)</b>	<b>129.39</b>	<b>2,199.81</b>
<b>Cash flows from investing activities</b>		
Decrease/ (Increase) in other non-current assets	515.08	(3,396.12)
Purchase of fixed assets	(67.76)	(73.47)
Interest received	168.40	58.62
<b>Net cash flow (used in)/ generated from investing activities (B)</b>	<b>615.72</b>	<b>(3,410.97)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ repayments from/ of borrowings	1.85	(2.50)
Foreign Exchange Gain	64.75	79.50
Interest paid on loan	(799.26)	(470.57)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(732.67)</b>	<b>(393.57)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>12.44</b>	<b>(1,604.73)</b>
Cash and cash equivalents at the beginning of the year	12.57	1,617.30
<b>Cash and cash equivalents at the end of the year</b>	<b>25.01</b>	<b>12.57</b>
<b>Components of cash and cash equivalents</b>		
<b>Total cash and cash equivalents (note 16)</b>	<b>25.01</b>	<b>12.57</b>
Significant accounting policies	Note 2.1	

As per our report of even date

**For K R A & Co**

**Firm Registration No: 020266N**

**Chartered Accountants**

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

**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**

**Partner**

**Membership No. 503150**

**Place: Delhi**

**Date: 31/07/2020**

**Surendar Singh Jasrotia**

**Managing Director & CEO**

**DIN:8566350**

**Place: Jammu**

**Date: 31/07/2020**

**Anil Kumar**

**Joint Managing Director**

**DIN:07417538**

**Place: Jammu**

**Date: 31/07/2020**

**Sourabh Mehta**

**Chief Finance Officer**

**PAN: ALDPM4604L**

**Place: Jammu**

**Date: 31/07/2020**

## **SARVESHWAR FOODS LIMITED**

Notes to Accounts as on March 31, 2020

### **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. 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 the 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 the Company was changed to Sarveshwar Foods Limited pursuant to which, the Company has received a fresh Certificate of Incorporation dated June 29, 2015.

### **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 are recognized 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, 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.

## **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.

## **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.**

	(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
<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	2,456.72
(Previous Year 24,567,200 Equity Shares of Rs 10 each with voting rights)		
<b>Total</b>	<b>2,456.72</b>	<b>2,456.72</b>
<b>A) Reconciliation of number of equity shares outstanding</b>		
As at the beginning of the year	24,567,200.00	24,567,200.00
Add: Shares Issued during the year	-	
Less: Bought back during the year	-	
As at the end of the year	<b>24,567,200.00</b>	<b>24,567,200.00</b>
<b>Share holders having 5% or more Shares</b>		
<b>Name Of Shareholders</b>		
<b>Rohit Gupta</b>		
No. of shares	18,088,800.00	18,088,800.00
% of holding	73.63	73.63
<b>Other Promoters Group</b>		
No. of shares	11,000.00	11,200.00
% of holding	0.04	0.05
<b>Other Public Holding</b>		
No. of shares	6,467,400.00	6,467,200.00
% of holding	26.33	26.32
	<b>24,567,200.00</b>	<b>24,567,200.00</b>
	-	-
<b>NOTE 4</b>		
<b>RESERVE AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	98.64	52.78
Transfer from Profit & Loss	8.77	45.87
	<b>107.41</b>	<b>98.64</b>
<b>Share Premium</b>		
Opening Balance	4,347.62	4,347.62
Add: Received during the year	-	-
	<b>4,347.62</b>	<b>4,347.62</b>
<b>Profit &amp; Loss A/c</b>		
Opening Balance	4,558.18	3,790.83
Add: Additions During the Year	175.39	917.33
Less: Transfer to General Reserve	(8.77)	(45.87)
Less: Prior Period Items	(15.09)	(104.11)
	<b>4,709.71</b>	<b>4,558.18</b>
<b>Total</b>	<b>9,164.75</b>	<b>9,004.45</b>

	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>NOTE 5</b>		
<b>Long Term Liabilities</b>		
<b>Secured Loan</b>		
Term Loan from Banks	19.20	15.95
Less: Payable with 12 months	(9.35)	(7.95)
<b>Total</b>	<b>9.85</b>	<b>8.00</b>
<b>NOTE 6</b>		
<b>Deferred Tax Liabilities</b>		
<b>Current year Provision</b>	<b>(9.62)</b>	<b>(6.25)</b>
<b>Total</b>	<b>(26.49)</b>	<b>(16.87)</b>
<b>NOTE 7</b>		
<b>Short Term Liabilities</b>		
Cash Credit	10,195.21	7,650.73
Others	-	969.96
<b>Total</b>	<b>10,195.21</b>	<b>8,620.69</b>
<b>NOTE 8</b>		
<b>Trade payables</b>		
Due to MSME	-	-
Sundry Creditors for Trade	1,486.80	1,839.40
<b>Total</b>	<b>1,486.80</b>	<b>1,839.40</b>
<b>NOTE 9</b>		
<b>Other current liabilities</b>		
Statutory Liabilities:	6.18	10.42
Loan From Banks Repayable in one year	9.35	7.95
Expenses payable	36.51	12.32
Other current liabilities	133.93	80.42
Advance received from related Parties	1,059.10	1,641.53
Advance received from debtors	8.08	221.44
<b>Total</b>	<b>1,253.15</b>	<b>1,974.08</b>
<b>NOTE 10</b>		
<b>Short Term Provisions</b>		
Provision for Taxation	-	91.17
(After setting off Taxes paid & deducted)		
<b>Total</b>	<b>-</b>	<b>91.17</b>



	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>NOTE 12</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Investment in Shares of HBOFPL	1,505.00	1,505.00
Investment in Shares of Sarveshwar Overseas Ltd.,	1,485.00	1,485.00
Investment in Shares of Natural Global Foods DMCC	66.91	66.91
Margin Money Redeemable after 12 Months	14.76	-
<b>Total</b>	<b>3,071.67</b>	<b>3,056.91</b>
<b>NOTE 13</b>		
<b>Non Current Assets</b>		
Unsecured Loans & Advances	1,308.07	1,837.91
<b>Total</b>	<b>1,308.07</b>	<b>1,837.91</b>
<b>NOTE 14</b>		
<b>INVENTORIES</b>		
(Stock of Traded Goods have been Valued at lower of Cost and NRV)		
Finished Goods Trading	5,089.81	8,505.35
Finished Goods Manufacturing	3,271.37	4,277.46
Raw Material	157.13	1,305.24
<b>Total</b>	<b>8,518.31</b>	<b>14,088.05</b>
<b>NOTE 15</b>		
<b>TRADE RECEIVABLES</b>		
<b>Over Six Months</b>		
Unsecured Considered Good	1,962.16	283.48
<b>Others</b>		-
Unsecured Considered Good	8,501.68	3,545.95
<b>Total</b>	<b>10,463.84</b>	<b>3,829.43</b>
<b>NOTE 16</b>		
<b>CASH AND BANK ADVANCES</b>		
Cash on Hand	20.65	9.72
Balance with Banks	4.35	2.85
<b>Total</b>	<b>25.01</b>	<b>12.57</b>

	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>NOTE 17</b>		
<b>Other Current assets</b>		
Loans & Advances	1.82	1.42
Security Deposits	23.38	51.92
GST Receivable	106.49	131.03
Prepaid Expenses	10.36	11.57
Interest receivable	88.40	2.53
Margin Money Redeemable in 3-12 Months	7.52	45.53
Other Current assets	0.50	-
Advance paid to Related Party	124.24	-
Advance paid to Vendors	333.03	460.22
Taxes Paid (After setting of provisions)	22.81	-
<b>Total</b>	<b>718.54</b>	<b>704.22</b>
<b>NOTE 18</b>		
<b>Revenue from operations</b>		
Sale of products (Net)	19,922.90	23,035.08
<b>Total</b>	<b>19,922.90</b>	<b>23,035.08</b>
<b>NOTE 19</b>		
<b>Other Income</b>		
Foreign Exchange Fluctuations	64.75	79.50
Discount Received	4.54	8.47
Interest on Investments(FDR & Loan)	168.40	58.62
Job Work	14.75	54.78
Shortage /Excess	6.49	9.34
Miscellaneous income	0.01	6.88
Insurance Claim	2.21	1.31
Unclaimed Liability	4.29	-
Other Income (Organic Project)	31.52	12.08
<b>Total</b>	<b>296.96</b>	<b>230.97</b>
<b>NOTE 20</b>		
<b>MATERIAL CONSUMED</b>		
<b>Raw Materials' Consumption</b>		
Opening Stock	1,305.24	2,681.19
Add: Purchases	6,668.80	11,943.54
Add: Freight Inward	38.75	28.62
Add: Packing Material Purchase	201.10	337.40
Less : Closing Stock	(157.13)	(1,305.24)
<b>COGS</b>	<b>8,056.77</b>	<b>13,685.50</b>

	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>NOTE 21</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Purchase of traded goods	5,332.22	9,550.84
Freight Inward		
<b>Total</b>	<b>5,332.22</b>	<b>9,550.84</b>
<b>NOTE 22</b>		
<b>INCREASE /(DECREASE ) &amp; FINISHED GOODS</b>		
Opening Stock of Finished Goods	12,782.80	9,631.30
Closing Stock of Finished Goods	8,361.18	12,782.80
Increase/(Decrease) in Finished Goods	4,421.62	(3,151.51)
<b>Total</b>	<b>4,421.62</b>	<b>(3,151.51)</b>
<b>NOTE 23</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salaries	164.75	145.66
Directors Remuneration	41.26	44.82
Staff Welfare	2.68	5.97
<b>Total</b>	<b>208.69</b>	<b>196.44</b>
<b>NOTE 24</b>		
<b>Financial costs</b>		
Bank Interest	777.42	423.38
Bank Charges	9.78	19.70
Other Interest	12.07	27.50
<b>Total</b>	<b>799.26</b>	<b>470.57</b>

**SARVESHWAR OVERSEAS LIMITED**  
**Notes to Accounts as on March 31' 2020**

**25 Related party disclosures:**

**Nature and name of related parties**

<b>Holding Company</b>	Sarveshwar Foods Limited
<b>Key Management Person</b>	Rohit Gupta (Chairman)
<b>Relative of Key Management Person</b>	Suraj Prakash Gupta Radha Rani Pooja Gupta
<b>Enterprises Owned or controlled by Key Management Personnel or their relatives</b>	Sarveshwar Logistics Radhika Overseas Sarveshwar International Himalayan Ancient Foods P Ltd Radhika Pest Control Shree Jee Trading

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

(in ₹ Lacs)

Name of related party	Nature of transaction	Transaction during the year	
		2020	2019
Rohit Gupta	Salary	-	18.00
Sarveshwar Logistics	Freight	26.00	11.50
Radha Rani	Rent	3.60	3.60
Radhika Overseas	Sales	52.11	0.64
Radhika Overseas	Purchase	291.04	141.64
Sarveshwar Foods Ltd	Sales	-	99.84
Sarveshwar Foods Ltd	Purchase	54.99	1,351.63
Sarveshwar Foods Ltd	Unsecured Loan received	962.29	1,792.17
Sarveshwar Foods Ltd	Unsecured Loan repaid	1,594.44	-
Sarveshwar Foods Ltd	Interest on Loan Paid	164.50	50.82
Himalyan Bio Organic Foods Pvt Ltd	Sales	1.67	-
Sarveshwar International	Purchase	4.06	566.25
Sarveshwar International	Sales	12.94	27.78

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

(in ₹ Lacs)

Particulars	2020	2019
Expenditure		
Commission on Exports	-	4.09
Earnings		
Sale of finished goods	400.07	799.50



**SARVESHWAR FOODS LIMITED**  
Statement of Notes to Accounts for the year ended March 31, 2020

11 Tangible assets										(in ₹ Lacs)
	Land	Building	Plant & Machinery	Office Equipment	Furniture & Fixture	Electrical Installation	Vehicles	Computer	Softwares	Total
<b>Gross block</b>										
<b>At March 31, 2018</b>	<b>14.07</b>	<b>213.44</b>	<b>198.78</b>	<b>24.59</b>	<b>10.56</b>	<b>-</b>	<b>76.14</b>	<b>8.64</b>	<b>-</b>	<b>546.22</b>
Additions	-	0.55	32.31	3.50	3.85	-	8.73	12.43	12.11	73.47
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	<b>14.07</b>	<b>213.99</b>	<b>231.09</b>	<b>28.09</b>	<b>14.41</b>	<b>-</b>	<b>84.87</b>	<b>21.08</b>	<b>12.11</b>	<b>619.70</b>
Additions	-	-	53.08	1.30	0.88	-	11.72	0.78	-	67.76
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2020</b>	<b>14.07</b>	<b>213.99</b>	<b>284.17</b>	<b>29.40</b>	<b>15.28</b>	<b>-</b>	<b>96.59</b>	<b>21.86</b>	<b>12.11</b>	<b>687.46</b>
<b>Depreciation</b>										
<b>At March 31, 2018</b>	<b>-</b>	<b>19.76</b>	<b>35.90</b>	<b>7.35</b>	<b>2.51</b>	<b>-</b>	<b>20.54</b>	<b>4.63</b>	<b>-</b>	<b>90.69</b>
Charge for the year	-	18.45	31.70	5.60	2.66	-	17.34	4.70	-	80.46
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	<b>-</b>	<b>38.21</b>	<b>67.61</b>	<b>12.95</b>	<b>5.17</b>	<b>-</b>	<b>37.88</b>	<b>9.33</b>	<b>-</b>	<b>171.15</b>
Charge for the year	-	16.70	32.67	4.48	2.44	-	13.80	7.64	4.04	81.77
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2020</b>	<b>-</b>	<b>54.91</b>	<b>100.28</b>	<b>17.44</b>	<b>7.61</b>	<b>-</b>	<b>51.68</b>	<b>16.97</b>	<b>4.04</b>	<b>252.92</b>
<b>Net block</b>										
<b>At March 31, 2019</b>	<b>14.07</b>	<b>175.78</b>	<b>163.48</b>	<b>15.14</b>	<b>9.24</b>	<b>-</b>	<b>46.99</b>	<b>11.74</b>	<b>12.11</b>	<b>448.55</b>
<b>At March 31, 2020</b>	<b>14.07</b>	<b>159.08</b>	<b>183.89</b>	<b>11.96</b>	<b>7.68</b>	<b>-</b>	<b>44.91</b>	<b>4.89</b>	<b>8.07</b>	<b>434.54</b>

Notes to Accounts as on March 31' 2020

27 Related party disclosures:

Nature and name of related parties

Key Management Person

Rohit Gupta (Chairman)

Relative of Key Management Person

Suraj Prakash Gupta  
Radha Rani  
Pooja Gupta

Enterprises Owned or controlled by Key Management Personnel or their relatives

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

Subsidiary Companies

Sarveshwar Overseas Ltd  
Himalayan Bio Organic foods p Ltd  
Natural Global Food DMCC

Transactions with related parties during the year:

Name of related party	Nature of transaction	(in ₹ Lacs)	
		Transaction during the year	
		2020	2019
Rohit Gupta	Rent	72.00	72.00
Rohit Gupta	Salary	-	30.00
Anil Kumar	Salary	13.04	6.55
Surendar Jasrotia	Salary	14.88	-
Gayatri Tandon	Salary	9.03	8.27
Seema Rani	Salary	4.31	-
Sarveshwar Logistics	Freight	27.00	36.00
Suraj Prakash Gupta	Rent	-	12.00
Radha Rani	Rent	22.50	30.00
Himalayan Bio Organic Foods P Ltd	Purchases	18.98	293.97
Himalayan Bio Organic Foods P Ltd	Sales	169.97	47.13
Sarveshwar International	Sales	-	20.00
Sarveshwar International	Purchases	-	140.97
Sarveshwar Overseas Ltd	Purchases	-	99.84
Sarveshwar Overseas Ltd	Sales	54.99	1,351.63
Sarveshwar Overseas Ltd	Unsecured Loan Given	962.29	1,792.17
Sarveshwar Overseas Ltd	Unsecured Loan Repayment Rcvd	1,594.44	-
Sarveshwar Overseas Ltd	Interest on loan Received	164.50	50.82
Radhika Overseas	Purchases	357.12	378.10
Pooja Gupta	Rent	-	24.00

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

(in ₹ Lacs)		
Particulars	2020	2019
Expenditure		
Professional fee	-	1.93
Certification Fees	0.54	-
Consultancy Fee	59.85	-
Lab Testing	0.44	-
Travelling Expenses in foreign Currency	0.87	-
Earnings		
Sale of finished goods	2,845.25	3,396.07

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

Particulars	2020				2019			
	in USD	in JPY	Exchange rate	in ₹ Lacs	in USD	in JPY	Exchange rate	in ₹ Lacs
Trade receivables	376,099	-	75.39	283.53	663,684	-	69.17	459.08

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

## 31 Disclosure under Accounting Standard (AS) 15 " Employee Benefits"

**Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity plan of the Company is funded. The information in the note is for disclosure purpose.

**The defined benefit plans expose the Company to a number of actuarial risks as below:**

**Interest risk:** A decrease in the bond interest rate will increase the plan liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(in ₹ Lacs)

**(i) The key assumptions used in accounting for retiring gratuity is as below:**

Particular	2020	2019
Discount rate	7.25%	7.50%
Rate of escalation in salary	7.00%	7.00%

**(ii) Changes in present value of Obligation:**

Particular	2020	2019
Obligation at the beginning of the year	(10.46)	(9.94)
Interest costs	(0.78)	(0.80)
Current service costs	(1.27)	(1.57)
Benefits paid	0.73	0.70
Remeasurement (gains)/losses	(0.63)	1.16
Obligation at the end of the year	(12.42)	(10.46)

**(iii) Changes in the fair value of plan assets:**

Particular	2020	2019
Fair value of plan assets at beginning of year	12.51	11.05
Expected return on plan assets	0.94	0.85
Contributions	2.95	1.30
Benefits paid	(0.73)	(0.70)
Remeasurement (gains)/losses	-	-
Fair value of plan assets at the end of year	15.67	12.51

**(iv) Amounts to be recognised in the balance sheet**

Particular	2020	2019
Present value of obligation	(12.42)	(10.46)
Fair value of plan assets	15.67	12.51
Funded status	3.25	2.05
Net assets / (liability) recognized in balance sheet as provision	3.25	2.05

**(v) Expenses to be recognised in the statement of profit and loss**

Particular	2020	2019
Current service costs	(1.27)	(1.57)
Interest costs	(0.78)	(0.80)
	(2.06)	(2.37)
Expected return on plan assets	0.94	0.85
Net Actuarial (gain)/ loss	(0.63)	1.16
	0.31	2.01
Net Impact on Profit & Loss	(1.74)	(0.36)

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

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**Details of secured short term borrowings as on March 31, 2020**

Name of the lenders	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Lakhs	Tenure	Outstanding Loan as on 31.03.2020 in INR Lacs	Security as per the loan agreement
J&K Bank	CC	MCLR+ 0.5%	INR	10,500.00	Renewal Done Every Year	7,979.34	Various Immovable Properties and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	6M LIBOR/EURIBOR +400bps p.a	USD		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	6M LIBOR/EURIBOR +200bps p.a	USD		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
J&K Bank PSL 004	LC /NON LC BACKED	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	130.06	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 06	Pledge Limits	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	2,085.81	Various Immovable Properties and Stocks & Debtors
Total				10,500.00		10,195.21	

## 33 Contingent Liability

Sr No	Particulars	As on March 2020	As on March 2019
1	Corporate Guarantee given by the company for loans taken by its subsidary company from banks/financial instutions.	2,500.00	2,500.00

## 34 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**

**For and behalf of the Board of Directors**  
**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**  
**UDIN: 20503150AAAAGV5580**  
**Place: Delhi**  
**Date: 31/07/2020**

**Surender Singh Jasrotia**  
**Managing Director & CEO**  
**DIN:8566350**

**Place: Jammu**  
**Date: 31/07/2020**

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

**Place: Jammu**  
**Date: 31/07/2020**

**Sourabh Mehta**  
**Chief Finance Officer**  
**PAN: ALDPM4604L**

**Place: Jammu**  
**Date: 31/07/2020**



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

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion:**

We have audited the accompanying consolidated financial statements of SARVESHWAR FOODS LIMITED ("hereinafter referred to as the 'Holding Company'") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss, and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion:**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter:**

The Group inventory balance as at March 31, 2020, is Rs. 192.75 crores. The outbreak of COVID 19 pandemic in India led the Government of India impose a nationwide lockdown starting March 25, 2020. Due to closures of non-essential offices and manufacturing units along with a severe restriction in movement of people, the physical verification of inventory balances was not carried out by us for March 31, 2020. The management of Holding Company were able to perform year end physical verification of inventories subsequent to the year-end only after the local movement restrictions were lifted by the State Government. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance issued by the Institute of Chartered Accountants of India.

Our opinion is not modified in respect of these matters

#### **Other Information:**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, management discussion and analysis and report on corporate governance, but does not include the financial statements and our auditor's report thereon. The director's report, management discussion and analysis and report on corporate governance are expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.**

The Holding Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the Companies Included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements

by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision

and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors and management certified accounts as referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters:**

We did not audit the financial statement of one of subsidiaries included in the consolidated financial

result, whose annual financial statements reflect total asset of AED 5,350,119/- as at March 31, 2020 and the total revenue of AED 9,774,304/- for the year ended March 31, 2020. These financial statements and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial result, in so far as it relates to the amounts and disclosures included in respect on these subsidiaries, is based solely on the report of such other auditors.

Our conclusion on the Statement is not modified in respect of the above matter

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

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.

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

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account

In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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".

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:

The Company did not have any pending litigations for which there were any impact on its financial position.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Rajat Goyal**  
**Partner**  
**Membership No.: 503150**  
**UDIN: 20503150AAAVJ1409**  
**Place: Delhi**  
**Date: July 31, 2020**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SARVESHWAR FOODS LIMITED**

**(Referred to in Paragraph 1 point (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of **SARVESHWAR FOODS LIMITED** (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date.

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

The respective Board of Directors of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's

policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its two subsidiary companies, which are companies covered under the Act, as at that date, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its two subsidiary companies as aforesaid.

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

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation



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

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

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

#### **Opinion**

In our opinion, the Holding Company, its two subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company, its two subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place: Delhi  
Date: July 31, 2020**

**SARVESHWAR FOODS LIMITED**  
**CIN: L15312JK2004PLC002444**  
**Consolidated Balance Sheet as at March 31' 2020**

		(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
	Note No.		
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3		
-Equity Share Capital		2,456.72	2,456.72
-Preference Share Capital		2,200.00	2,200.00
Reserves and surplus	4	11,244.63	10,707.18
Minority Interest		21.03	20.59
		<u>15,922.37</u>	<u>15,384.48</u>
<b>Non current liabilities</b>			
Long term borrowings	5	101.70	101.45
Deferred Tax Liabilities	6	-	-
		<u>101.70</u>	<u>101.45</u>
<b>Current liabilities</b>			
Short term borrowings	7	22,045.22	20,923.14
Trade payables	8	3,827.55	4,184.48
Other current liabilities	9	966.77	2,259.12
Short term provisions	10	2.27	136.54
		<u>26,841.81</u>	<u>27,503.28</u>
		<u>42,865.88</u>	<u>42,989.20</u>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
(i) Tangible assets	11	2,153.42	2,286.75
Other Non Current Assets	12	32.81	-
		<u>2,186.23</u>	<u>2,286.75</u>
Deferred Tax Assets (Net)	6	60.73	40.48
<b>Current assets</b>			
Inventories	13	19,274.68	29,661.73
Trade receivables	14	19,666.75	9,043.49
Cash and bank balances	15	165.34	56.95
Other Current Assets	16	1,512.16	1,899.82
		<u>40,618.92</u>	<u>40,661.98</u>
		<u>42,865.88</u>	<u>42,989.20</u>

Significant accounting policies

2.1

As per our report of even date

**For K R A & Co**

**Firm Registration No: 020266N**

**Chartered Accountants**

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

**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**  
**Partner**  
**Membership No. 503150**  
**UDIN: 20503150AAAJV1409**  
**Place: Delhi**  
**Date: 31/07/2020**

**Surendar Singh Jasrotia**  
**Managing Director & CEO**  
**DIN:8566350**  
**Place: Jammu**  
**Date: 31/07/2020**

**Anil Kumar**  
**Joint Managing Director**  
**DIN:07417538**  
**Place: Jammu**  
**Date: 31/07/2020**

**Sourabh Mehta**  
**Chief Finance Officer**  
**PAN: ALDPM4604L**  
**Place: Jammu**  
**Date: 31/07/2020**

**SARVESHWAR FOODS LIMITED**

CIN: L15312JK2004PLC002444

**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**

	Notes	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>INCOME</b>			
Revenue from operations	17	48,744.35	56,648.08
Other income	18	427.03	364.39
		<b>49,171.38</b>	<b>57,012.48</b>
<b>EXPENDITURE</b>			
Raw materials consumed	19	15,624.28	28,280.48
Purchases	20	18,518.18	25,525.66
Decrease in inventories of semi finished and finished goods	21	9,601.28	(3,374.21)
Employee benefits expenses	22	411.89	418.85
Depreciation expenses	11	222.97	231.16
Finance cost	23	1,959.23	1,370.94
Operating and other expenses	24	2,134.48	2,217.55
		<b>48,472.31</b>	<b>54,670.43</b>
<b>Profit/(Loss) before tax</b>		<b>699.07</b>	<b>2,342.05</b>
(a) Current Year Tax		148.02	537.97
(b) Deferred Tax		(20.26)	(7.86)
<b>Profit / (loss) for the year</b>		<b>571.31</b>	<b>1,811.94</b>
<b>Profit Attributable to:</b>			
Minorities		0.44	1.81
Owners of the Company		570.87	1,810.13
Earnings per equity share	25	2.32	7.37
Basic and diluted annualised		2.32	7.37
Significant accounting policies	2.1		
As per our report of even date			
<b>For K R A &amp; Co</b>	<b>For and behalf of the Board of Directors</b>		
<b>Firm Registration No: 020266N</b>	<b>SARVESHWAR FOODS LIMITED</b>		
<b>Chartered Accountants</b>			

**Rajat Goyal**  
Partner  
Membership No. 503150  
UDIN: 20503150AAAVJ1409  
Place: Delhi  
Date: 31/07/2020

**Surendar Singh Jasrotia**  
Managing Director & CEO  
DIN:8566350  
  
Place: Jammu  
Date: 31/07/2020

**Anil Kumar**  
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Place: Jammu  
Date: 31/07/2020

**Sourabh Mehta**  
Chief Finance Officer  
PAN: ALDPM4604L  
  
Place: Jammu  
Date: 31/07/2020

**SARVESHWAR FOODS LIMITED**

CIN: L15312JK2004PLC002444

**Consolidated Statement of Cash Flow for the year ended March 31, 2020**

	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>Cash flow from operating activities</b>		
<b>Profit Before tax</b>	<b>699.07</b>	<b>2,342.05</b>
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Prior Period Items	(32.40)	(85.21)
Depreciation / amortization expenses	222.97	231.16
Foreign Subsidiary Conversion Difference	(1.01)	0.95
Interest income	(196.58)	(64.57)
Unrealized foreign exchange loss/ gain	(75.30)	(119.23)
Interest on loan	1,959.23	1,370.94
<b>Operating profit before working capital changes</b>	<b>2,575.98</b>	<b>3,676.08</b>
Movements in working capital :		
Increase / (Decrease) in other liabilities	(1,292.35)	1,496.88
Increase / (Decrease) in Trade Payable	(356.93)	(6,654.07)
(Increase)/ Decrease in trade receivable	(10,623.26)	618.55
Decrease/(Increase) in Inventory	10,387.05	(1,672.82)
Decrease/ (Increase) in other current assets	387.66	(309.73)
<b>Net cash flow (used in) operations</b>	<b>1,078.15</b>	<b>(2,845.10)</b>
Less: Direct taxes paid Including Advance taxes	(282.28)	(519.46)
<b>Net cash flow (used in) operating activities (A)</b>	<b>795.86</b>	<b>(3,364.56)</b>
<b>Cash flows from investing activities</b>		
Decrease/ (Increase) in other non-current assets	(32.81)	(0.00)
Purchase of fixed assets	(95.89)	(151.04)
Sale of Fixed Assets	6.25	-
Interest received	196.58	64.57
<b>Net cash flow (used in)/ generated from investing activities (B)</b>	<b>74.13</b>	<b>(86.47)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ repayments from/ of borrowings	0.25	(0.43)
Increase / (Decrease) in Short Term Borrowings	1,122.08	3,111.56
Foreign Exchange Gain	75.30	119.23
Interest paid on loan	(1,959.23)	(1,370.94)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(761.60)</b>	<b>1,859.43</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>108.39</b>	<b>(1,591.60)</b>
Cash and cash equivalents at the beginning of the year	56.95	1,648.54
<b>Cash and cash equivalents at the end of the year</b>	<b>165.34</b>	<b>56.95</b>
<b>Components of cash and cash equivalents</b>		
<b>Total cash and cash equivalents (note 16)</b>	<b>165.34</b>	<b>56.95</b>
Significant accounting policies	Note 2.1	

As per our report of even date

**For K R A & Co**

Firm Registration No: 020266N

Chartered Accountants

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

**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**  
Partner  
Membership No. 503150  
Place: Delhi  
Date: 31/07/2020

**Surendar Singh Jasrotia**  
Managing Director & CEO  
DIN:8566350  
Place: Jammu  
Date: 31/07/2020

**Anil Kumar**  
Joint Managing Director  
DIN:07417538  
Place: Jammu  
Date: 31/07/2020

**Sourabh Mehta**  
Chief Finance Officer  
PAN: ALDPM4604L  
Place: Jammu  
Date: 31/07/2020

**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. 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 the 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 the Company was changed to Sarveshwar Foods Limited pursuant to which, the Company has received a fresh Certificate of Incorporation dated June 29, 2015.

**2 Basis of Preparation of financial statements(Significant Accounting Policies & other explanatory Notes)****2.1 Basis of Preparation**

The consolidated 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 consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous years.

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

ii) The subsidiary – Natural Global Foods DMCC being foreign subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.

iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like

**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 are recognized 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.

## **2.18 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.**

	(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
<b>NOTE 3</b>		
<b>SHARE CAPITAL AUTHORISED</b>		
30,000,000 Equity shares of Rs 10 each with voting rights (Previous Year 30,000,000 Equity shares of Rs 10 each with voting rights)	3,000.00	3,000.00
220,000 Preference shares of Rs. 1,000 Each (Previous Year 220,000 Preference shares of Rs. 1,000 Each)	2,200.00	2,200.00
<b>ISSUED SUBSCRIBED AND FULLY PAID UP</b>		
24,567,200 Equity shares of Rs 10 each with voting rights (Previous Year 24,567,200 Equity Shares of Rs 10 each with voting rights)	2,456.72	2,456.72
220,000 Preference shares of Rs. 1,000 Each (Previous Year 220,000 Preference shares of Rs. 1,000 Each)	2,200.00	2,200.00
<b>Total</b>	<b>4,656.72</b>	<b>4,656.72</b>
<b>A) Reconciliation of number of equity shares outstanding</b>		
As at the beginning of the year	24,567,200.00	24,567,200.00
Add: Shares Issued during the year	-	-
Less: Bought back during the year	-	-
As at the end of the year	<b>24,567,200.00</b>	<b>24,567,200.00</b>
<b>Share holders having 5% or more Shares</b>		
<b>Name Of Shareholders</b>		
<b>Rohit Gupta</b>		
No. of shares	18,088,800.00	18,088,800.00
% of holding	73.63	73.63
<b>Other Promoters Group</b>		
No. of shares	11,000.00	11,200.00
% of holding	0.04	0.05
<b>Other Public Holding</b>		
No. of shares	6,467,400.00	6,467,200.00
% of holding	26.33	26.32
	<b>24,567,200.00</b>	<b>24,567,200.00</b>
	-	-
<b>B) Reconciliation of number of Preference shares outstanding</b>		
As at the beginning of the year	220,000.00	220,000.00
Add: Shares Issued during the year		
Less: Bought back during the year		
As at the end of the year	<b>220,000.00</b>	<b>220,000.00</b>
<b>Share holders having 5% or more Shares</b>		
<b>Name Of Shareholders</b>		
<b>Rohit Gupta</b>		
No. of shares	220,000.00	220,000.00
% of holding	100.00	100.00
<b>Sarveshwar Food Ltd</b>		
	<b>220,000.00</b>	<b>220,000.00</b>
	-	-
<b>NOTE 4</b>		
<b>RESERVE AND SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	98.64	52.78
Transfer from Profit & Loss	8.77	45.87
	<b>107.41</b>	<b>98.64</b>
<b>Share Premium</b>		
Opening Balance	4,347.62	4,347.62
Add: Received during the year	-	-
	<b>4,347.62</b>	<b>4,347.62</b>

	(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
<b>Share Premium</b>		
Opening Balance	4,347.62	4,347.62
Add: Received during the year	-	-
	<u>4,347.62</u>	<u>4,347.62</u>
<b>Profit &amp; Loss A/c</b>		
Opening Balance	6,260.91	4,580.91
Add: Additions During the Year	570.87	1,810.13
Less: Transfer to General Reserve	(8.77)	(45.87)
Less: Prior Period Items (Income Tax)	(32.40)	(85.21)
Foreign Subsidiary Conversion Difference	(1.01)	0.95
	<u>6,789.60</u>	<u>6,260.91</u>
<b>Total</b>	<u>11,244.63</u>	<u>10,707.18</u>
<b>NOTE 5</b>		
<b>Long Term Liabilities</b>		
<b>Secured Loan</b>		
Term Loan from Banks	22.29	20.64
Less: Payable with 12 months	(11.97)	(10.57)
Unsecured Loans from Directors	91.38	91.38
<b>Total</b>	<u>101.70</u>	<u>101.45</u>
<b>NOTE 6</b>		
<b>Deferred Tax Liabilities</b>		
<b>Current year Provision</b>	<u>(20.26)</u>	<u>(7.86)</u>
<b>Total</b>	<u>(60.73)</u>	<u>(40.48)</u>
<b>NOTE 7</b>		
<b>Short Term Liabilities</b>		
Cash Credit	20,221.46	17,637.98
Others	1,823.77	3,285.17
<b>Total</b>	<u>22,045.22</u>	<u>20,923.14</u>
<b>NOTE 8</b>		
<b>Trade payables</b>		
Due to MSME	-	27.68
Sundry Creditors for Trade	3,827.55	4,156.80
<b>Total</b>	<u>3,827.55</u>	<u>4,184.48</u>
<b>NOTE 9</b>		
<b>Other current liabilities</b>		
Statutory Liabilities:	31.01	22.22
Loan From Banks Repayable in one year	11.97	10.57
Expenses payable	115.26	74.90
Other current liabilities	155.64	80.42
Dividend on Preference Shares	100.98	100.98
DDT & Interest thereon Payable	18.18	18.18
Advance received from related Parties	240.15	1,643.71
Advance received from debtors	293.57	308.12
<b>Total</b>	<u>966.77</u>	<u>2,259.12</u>
<b>NOTE 10</b>		
<b>Short Term Provisions</b>		
Provision for Taxation (After setting off Taxes paid & deducted)	2.27	136.54
<b>Total</b>	<u>2.27</u>	<u>136.54</u>

	(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
<b>NOTE 12</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Margin Money Redeemable after 12 Months	32.81	-
<b>Total</b>	<b>32.81</b>	<b>-</b>
<b>NOTE 13</b>		
<b>INVENTORIES</b>		
(Stock of Traded Goods have been Valued at lower of Cost and NRV)		
Finished Goods Trading	9,084.57	12,970.65
Finished Goods Manufacturing	8,675.08	14,390.28
Raw Material	1,515.03	2,300.80
<b>Total</b>	<b>19,274.68</b>	<b>29,661.73</b>
<b>NOTE 14</b>		
<b>TRADE RECEIVABLES</b>		
<b>Over Six Months</b>		
Unsecured Considered Good	2,680.39	721.41
<b>Others</b>		-
Unsecured Considered Good	16,986.35	8,322.08
<b>Total</b>	<b>19,666.75</b>	<b>9,043.49</b>
<b>NOTE 15</b>		
<b>CASH AND BANK ADVANCES</b>		
Cash on Hand	30.66	28.24
Balance with Banks	134.67	28.71
<b>Total</b>	<b>165.34</b>	<b>56.95</b>
<b>NOTE 16</b>		
<b>Other Current assets</b>		
Loans & Advances	17.35	45.39
MAT Credit Entitlement	0.03	0.03
Security Deposits	32.56	59.71
GST Receivable	177.61	176.28
Prepaid Expenses	22.08	19.08
Interest receivable	278.48	6.39
Margin Money Redeemable in 3-12 Months	22.75	332.25
Other Current assets	0.50	-
Advance paid to Related Party	7.51	-
Advance paid to Vendors	925.94	1,259.33
Taxes Paid (After setting of provisions)	27.35	1.37
<b>Total</b>	<b>1,512.16</b>	<b>1,899.82</b>



	(in Lakhs) For the year ended 31-Mar-20	(in Lakhs) For the year ended 31-Mar-19
<b>NOTE 17</b>		
<b>Revenue from operations</b>		
Sale of products (Net)	48,744.35	56,648.08
<b>Total</b>	<b>48,744.35</b>	<b>56,648.08</b>
<b>NOTE 18</b>		
<b>Other Income</b>		
Foreign Exchange Fluctuations	75.30	119.23
Discount Received	22.48	24.90
Duty Drawback/GST Refund	72.44	103.82
Interest on Investments	196.58	64.57
Job Work	14.75	18.13
Shortage /Excess	6.49	9.34
Miscellaneous income	0.30	9.08
Insurance Claim	2.86	3.24
Unclaimed Liability	4.29	-
Other Income (Organic Project)	31.52	12.08
<b>Total</b>	<b>427.03</b>	<b>364.39</b>
<b>NOTE 19</b>		
<b>MATERIAL CONSUMED</b>		
<b>Raw Materials' Consumption</b>		
Opening Stock	2,300.80	4,002.19
Add: Purchases	14,286.48	25,966.14
Add: Freight Inward	170.09	82.78
Add: Packing Material Purchase	381.94	530.17
Less : Closing Stock	(1,515.03)	(2,300.80)
<b>COGS</b>	<b>15,624.28</b>	<b>28,280.48</b>
<b>NOTE 20</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Purchase of traded goods	18,518.18	25,525.66
Freight Inward		
<b>Total</b>	<b>18,518.18</b>	<b>25,525.66</b>
<b>NOTE 21</b>		
<b>INCREASE /(DECREASE ) &amp; FINISHED GOODS</b>		
Opening Stock of Finished Goods	27,360.93	23,986.72
Closing Stock of Finished Goods	17,759.65	27,360.93
Increase/(Decrease) in Finished Goods	9,601.28	(3,374.21)
<b>Total</b>	<b>9,601.28</b>	<b>(3,374.21)</b>
<b>NOTE 22</b>		
<b>EMPLOYEE BENEFIT EXPENSE</b>		
Salaries	362.04	343.62
Directors Remuneration	41.26	62.82
Staff Welfare	8.59	12.40
<b>Total</b>	<b>411.89</b>	<b>418.85</b>

	(in Lakhs) As at 31-Mar-20	(in Lakhs) As at 31-Mar-19
<b>NOTE 23</b>		
<b>Financial costs</b>		
Interest on Loans	1,902.22	1,305.95
Bank Charges	38.18	28.41
Other Interest	18.83	36.58
<b>Total</b>	<b>1,959.23</b>	<b>1,370.94</b>

**NOTE 24**  
**Other expenses**

**Manufacturing Expenses**

Consumables	3.42	14.88
Discounts Allowed	12.37	-
Electricity Charges	144.48	160.31
Fumigation expense	1.48	1.33
Inspection Charges	13.61	21.87
Job Work	-	2.74
Pest control service charges	24.04	24.99
Repair & Maintenance	47.00	93.29
Toll Tax	0.81	1.71
Wages & Labour Charges	579.27	466.14

**Business Development Expenses**

Business Promotion	52.83	54.58
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**Selling, Distribution & Administration Expenses**

Advertisement Expenses	2.17	9.10
Audit fee & Expenses	8.60	11.01
Bad Debts	0.28	-
Brokerage & Commission	67.55	57.58
Business Promotion & Marketing	66.68	70.17
Clearing & Handling Charges	86.87	96.61
Communication Charges	15.01	17.22
Consultancy Expense	60.16	-
Conveyance & Travelling	95.52	105.37
CSR Expenses	6.40	17.87
Freight & transportation on Sales	250.01	359.69
Foreign Exchange Loss	0.04	-
Insurance	53.35	28.88
Misc Expenses	91.29	122.21
Printing & Stationery	10.44	13.98
Prior Period Expense	-	10.10
Professional Fees	109.16	172.83
Rent, Rates & Taxes	288.31	253.13
Repair & Maintenance	43.37	29.94

<b>Total</b>	<b>2,134.48</b>	<b>2,217.55</b>
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**NOTE 25**

**Earning Per Share**

a) Profit for the year (in Rs )	57,086,510.20	181,013,088.12
No of Shares at beginning	24,567,200.00	24,567,200.00
No of Shares at end	24,567,200.00	24,567,200.00
b) Weighted average no. of equity shares outstanding	24,567,200.00	24,567,200.00
c) Earning per share on profit for the year		
Basic (in Rs)	2.32	7.37
Diluted (in Rs)	2.32	7.37

**SARVESHWAR FOODS LIMITED**  
Consolidated Statement of Notes to Accounts for the year ended March 31, 2020

11 Tangible assets											(in ₹ Lacs)
	Land	Building	Plant & Machinery	Office Equipment	Furniture & Fixture	Electrical Installation	Vehicles	Computer	Softwares	Total	
Gross block											
At March 31, 2018	867.43	1,077.32	1,260.39	121.88	46.46	1.61	145.46	25.99	-	3,546.56	
Additions	-	0.55	40.77	7.49	52.76	2.17	16.30	18.90	12.11	151.04	
Disposals	-	-	-	-	-	-	-	-	-	-	
At March 31, 2019	867.43	1,077.87	1,301.16	129.37	99.22	3.78	161.76	44.89	12.11	3,697.60	
Additions	-	-	71.29	3.38	4.88	1.37	12.34	2.63	-	95.89	
Disposals	-	-	20.60	-	-	-	-	-	-	20.60	
At March 31, 2020	867.43	1,077.87	1,351.85	132.76	104.10	5.15	174.10	47.52	12.11	3,772.89	
Depreciation											
At March 31, 2018	(44.91)	338.30	686.66	68.84	23.35	0.24	88.06	19.16	-	1,179.69	
Charge for the year	-	70.27	107.02	16.29	8.27	0.70	19.78	8.83	-	231.16	
Disposals	-	-	-	-	-	-	-	-	-	-	
At March 31, 2019	(44.91)	408.57	793.68	85.14	31.62	0.94	107.84	27.99	-	1,410.85	
Charge for the year	-	63.60	97.28	11.71	18.06	0.93	15.93	11.43	4.04	222.97	
Disposals	-	-	14.35	-	-	-	-	-	-	14.35	
At March 31, 2020	(44.91)	472.17	876.60	96.85	49.68	1.87	123.77	39.41	4.04	1,619.47	
Net block											
At March 31, 2019	912.35	669.30	507.48	44.24	67.61	2.85	53.92	16.91	12.11	2,286.75	
At March 31, 2020	912.35	605.70	475.24	35.91	54.42	3.28	50.33	8.11	8.07	2,153.42	

**SARVESHWAR FOODS LIMITED**  
**Notes to Accounts as on March 31' 2020**

**26 Related party disclosures:**

**Nature and name of related parties**

**Key Management Person**

Rohit Gupta (Chairman)

**Relative of Key Management Person**

Suraj Prakash Gupta  
Radha Rani  
Pooja Gupta

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

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

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

(in ₹ Lacs)

Name of related party	Nature of transaction	Transaction during the year	
		2020	2019
Rohit Gupta	Rent	76.20	76.20
Rohit Gupta	Salary	-	48.00
Anil Kumar	Salary	13.04	6.55
Surendar Jasrotia	Salary	14.88	-
Gayatri Tandon	Salary	9.03	8.27
Seema Rani	Salary	4.31	-
Sunil Bakshi	Salary	17.90	-
Sarveshwar Logistics	Freight	60.35	51.50
Suraj Prakash Gupta	Rent	-	12.00
Radha Rani Gupta	Rent	26.10	42.60
Sarveshwar International	Sales	12.94	47.78
Sarveshwar International	Purchases	4.06	707.22
Radhika Overseas	Sales	52.11	0.64
Radhika Overseas	Purchases	648.16	519.74
Pooja Gupta	Rent	-	24.00

**27 Expenditure and earnings in foreign currency (on accrual basis)**

(in ₹ Lacs)

Particulars	2020	2019
Expenditure		
Professional fee	-	2.08
Certification Fees	0.54	-
Consultancy Fee	59.85	-
Lab Testing	0.44	0.77
Travelling Expenses in foreign Currency	0.87	18.94
Earnings		
Sale of finished goods	3,484.84	5,477.42

28 Unhedged foreign currency exposures as at the balance sheet date

Particulars	2020				2019			
	in USD	in JPY	Exchange rate	in ₹ Lacs	in USD	in JPY	Exchange rate	in ₹
Trade Receivable	635,169	-	75.39	478.83	1,208,894	-	69.17	836.30

29 Statement Of Net Assets And Profit Or Loss Attributable To Owners And Minority Interest

	Sarveshwar Foods Limited Holding Company	Sarveshwar Overseas Limited Subsidiary	Himalayan Bio Organic Foods Private Limited Subsidiary	Natural Global Foods DMCC Subsidiary	Minority interest	Total
<b>Particulars</b>	<b>India</b>	<b>India</b>	<b>India</b>	<b>UAE</b>		
Country of incorporation	India	India	India	UAE		
Consolidated profit after tax - current year	175.39	43.69	218.12	133.67	0.44	571.31
% of consolidated profit after tax	30.70%	7.65%	38.18%	23.40%	0.08%	
Consolidated profit after tax - previous year	917.33	181.24	286.51	425.05	1.81	1,811.94
% of consolidated profit after tax	50.63%	10.00%	15.81%	23.46%	0.10%	
Consolidated net assets - current year	11,621.47	4,303.79	2,157.88	896.16	(3,056.91)	15,922.37
% of Consolidated net assets	72.99%	27.03%	13.55%	5.63%	-19.20%	
Consolidated net assets - previous year	11,461.17	2,773.76	437.97	691.00	20.59	15,384.48
% of Consolidated net assets	74.50%	18.03%	2.85%	4.49%	0.13%	

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

31 Disclosure under Accounting Standard (AS) 15 " Employee Benefits"

**Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity plan of the Company is funded. The information in the note is for disclosure purpose.

**The defined benefit plans expose the Company to a number of actuarial risks as below:**

**Interest risk:** A decrease in the bond interest rate will increase the plan liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(in ₹ Lacs)

**(i) The key assumptions used in accounting for retiring gratuity is as below:**

Particular	2020	2019
Discount rate	7.25%	7.50%
Rate of escalation in salary	7.00%	7.00%

**(ii) Changes in present value of Obligation:**

Particular	2020	2019
Obligation at the beginning of the year	(13.31)	(13.31)
Interest costs	(1.00)	(1.02)
Current service costs	(3.86)	(2.61)
Benefits paid	0.73	0.94
Remeasurement (gains)/losses	(0.11)	2.70
Obligation at the end of the year	(17.55)	(13.31)

**(iii) Changes in the fair value of plan assets:**

Particular	2020	2019
Fair value of plan assets at beginning of year	19.00	17.49
Expected return on plan assets	1.37	1.14
Contributions	3.32	1.30
Benefits paid	(0.73)	(0.94)
Remeasurement (gains)/losses	-	-
Fair value of plan assets at the end of year	22.96	19.00

**(iv) Amounts to be recognised in the balance sheet**

Particular	2020	2019
Present value of obligation	(17.55)	(13.31)
Fair value of plan assets	22.96	19.00
Funded status	5.41	5.69
Net assets / (liability) recognized in balance sheet as provision	5.41	5.69

**(v) Expenses to be recognised in the statement of profit and loss**

Particular	2020	2019
Current service costs	(3.86)	(2.61)
Interest costs	(1.00)	(1.02)
	(4.86)	(3.64)
Expected return on plan assets	1.37	1.14
Net Actuarial (gain)/ loss	(0.11)	2.70
	1.26	3.84
Net Impact on Profit & Loss	(3.60)	0.20

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



## Details of secured short term borrowings as on March 31, 2020

Name of the lenders	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Lacs	Tenure	Outstanding Loan as on 31.03.2019 in INR Lacs	Security as per the loan agreement
J&K Bank	CC	MCLR+ 0.5%	INR	10,500.00	Renewal Done Every Year	7,979.34	Various Immovable Properties and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	6M LIBOR/EURIBOR +400bps p.a	USD		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	6M LIBOR/EURIBOR +200bps p.a	USD		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
J&K Bank PSL 004	LC /NON LC BACKED	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	130.06	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 04	Pledge Limits	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 05	Pledge Limits	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 06	Pledge Limits	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	2,085.81	Various Immovable Properties and Stocks & Debtors
J&K Bank	CC	MCLR+ 0.5%	INR	10,500.00	Renewal Done Every Year	9,998.37	Various Immovable Properties and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	6M LIBOR/EURIBOR +400 bps p.a	USD		Renewal Done Every Year	-	Various Immovable Properties and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	6M LIBOR/EURIBOR +200 bps p.a	USD		Renewal Done Every Year	27.88	Various Immovable Properties and Stocks & Debtors
Allahabad Bank Stock Pledge-831	Pledge Limit	11.38%	INR	2,500.00	Renewal Done Every Year	1,823.77	Against pledged stock
				23,500.00		22,045.22	

33 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

**For and behalf of the Board of Directors**  
**SARVESHWAR FOODS LIMITED**

**Rajat Goyal**  
Partner  
Membership No. 503150  
UDIN: 20503150AAAVJ1409  
Place: Delhi  
Date: 31/07/2020

**Surender Singh Jasrotia**  
Managing Director & CEO  
DIN:8566350

Place: Jammu  
Date: 31/07/2020

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

Place: Jammu  
Date: 31/07/2020

**Sourabh Mehta**  
Chief Finance Officer  
PAN: ALDPM4604L

Place: Jammu  
Date: 31/07/2020



# 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 **16<sup>th</sup> Annual General Meeting of the Company being held on 29 September, 2020 at 11:00 A.M. SFL Meeting Hall, Village Seora, Baba Fareed Nagar,,Bisnah –Kunjwani, Jammu, J&K -181132 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.

JV .....

## **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
114379		



# SARVESHWAR FOODS LIMITED

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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 29 September, 2020 at 11.00 A.M. at SFL Meeting Hall, Village Seora, Baba Fareed Nagar,,Bisnāh –Kunjwani Road, Jammu, J&K -181132 India. and at any adjournment there of 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, 2020 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, 2020.		
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.	Regularization of Ms. Seema Rani as Director of the Company .		

Signed this ..... Day of .....2020

Signature of shareholder

Affix a  
Re.1/-  
Revenue  
Stamp

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)