



15TH ANNUAL REPORT
SARVESHWAR FOODS LIMITED

COMPANY'S CORE INFORMATION

SARVESHWAR FOODS LIMITED

CIN: L15312JK2004PLC002444

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

Email Id: investorrelations@sarveshwarrice.com

Website: www.sarveshwarrice.com

SIGNATORIES INFORMATION

1. Mr. Rohit Gupta, Managing Director
2. Mr. Anil Kumar, Executive Director
3. Dr. Gayatri Tandon, Executive Director

INDEPENDENT DIRECTORS

1. Mr. Thyagarajan Kumaran, Independent Director
2. Dr. Tej Partap, Independent Director
3. Mr. Jagdish Lal Sharma, Independent Director
4. Mr. Adarsh Kumar Gupta, Independent Director

COMPANY SECRETARY/ CHIEF FINANCIAL OFFICER

1. Ms. Ishrat Gill (Company Secretary Cum Compliance Officer)
2. Mr. Manoj Chopra (Chief Financial Officer)

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

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

1. The Jammu & Kashmir Bank Limited



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MANAGING DIRECTOR'S MESSAGE

“The Company's financial performance during the year was strong with a consolidated profit before tax has increased year on year by 7.73% to INR 23.42 Cr. from INR 21.74 Cr. Profit after tax have grown considerably by 9.62% from INR 18.11 Cr. FY 19 to INR 16.53 Cr. in FY 18 ”



Dear Shareholders,

On behalf of Sarveshwar Foods Limited it gives me great pride to share your Companies comprehensive performance during the Financial Year 2018-19. Your continuous belief in company's management, and the unstinting support and fair criticism based on data and facts are what gives us vitality and fervor to strive betterment. I would like to start with a brief overview of the strategy and performance of your company and make some comments on the macro environment in which we operate. First, we strive to operate our business with a sharp focus on prosperous cultivation, producing profitable tonnes and pursuing sustainable cost improvements. The company has been dynamic and rigorous during the year, a season of diversity which included the introduction of a new operating model to strengthen our internal capabilities. Second, we seek to create further value by working on opportunities which are pertinent to our existing business model. Thirdly, we look beyond our core business for other growth opportunities to develop our portfolio, based on profitable returns.

We have not only dynamically evolved from an established rice brand in its arena

to an emerging global food company, but we also diversified our portfolio to Organic Products under the brand “Nimbark” which comprise of products such as Superfoods, Dry Fruits, Cereals, Pulses, Spices etc. The products are grown in the foothills of Himalayas without the use of chemicals. and are irrigated by pure water of the river Chenab. Sarveshwar has also carved its way into the international markets with it incorporating Limited Liability Company in the United States of America under the name “Himalayan Organic Farms LLC and Himalayan Bio Organic Farms LLC”.

To move further on the business front, things seem to be far more simple on paper, but they aren't as simplified and effortless on the grass root level, the business is affected by a numerous factors which could comprise of operational, environmental, social, technological and financial hitches. But with the appropriate people and partners we stay determined and overcome all the obstacles with the right mindset and effective planning.

On a consolidated basis, the total revenue from operations has grown by 18.31% to INR 570Cr from INR 482 Cr in FY 18. Profit before tax has increased year on year by

7.73% to INR 23.42 Cr from INR 21.74 Cr. Profit after taxes have grown considerably by 9.62% from INR 18.11 Cr in FY 19 to INR 16.53Cr in FY18.

The steady performance combined with the Board's assessment and strategizing of the company's cash requirements allowed us to increase our profits to Rs. 18.11 cr.

Our motto is and will always be to work together to ensure sustainability, reliability

and stability of our operations and enable all our stakeholders to thrive and prosper and alongside inculcate 360° good karma. A wonderful monologue by Hudson Taylor would suffice the belief and motto of your Company "God's work done in God's way will never lack God's supply." This wonderful saying sums up our intention in one simple line. Further, I would also like to take this opportunity to thank all our employees and stakeholders that work across the Group whose contribution has us to reach this juncture.





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward Looking Statements

Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Globally, 90% production of rice is in Asia. The Indian rice industry plays a vital role in the economic growth, employment rates and foreign exchange earnings. It is a huge agricultural sector, which makes lot of money. All thanks to the preferential soil, climatic conditions and growing technology. India is the largest producer and exporter of Rice, all over the world. It supplies almost 20 per cent of the total rice exports. 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.

The country did suffer from financial stress due to weak international demand and excess of paddy supply but it rebounded in 2018-19. Although the factors such as government support in rice production, favorable

monsoons, rising number of rice processing companies, increasing exports are majorly impacting the growth of India rice industry.

Rice is the staple food of people in eastern and southern India, and consumption of the total produced milled (white) rice grew by 0.79% in 2017 and 3.43% in 2016. India mainly produces white rice and brown rice. India is also famous for basmati rice, but they don't acquire major share in total rice exports as compared to non-basmati rice. The government of India heavily supports the rice producing farmers and the rice mills, by providing seeds, fuel, funds and advanced machineries.

As per an ICRA note, the momentum of the current fiscal is likely to percolate into the next fiscal with expectation of 4-5% growth in exports, given the high base. It is important to note that this growth has been despite some challenges that surfaced during FY 2019 - 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. The stringent pesticide norms by EU led to loss of exports worth more than Rs. 1,000 crore in FY 2019, and the same could exacerbate.

Continuing the momentum from FY 2018, India has already exported Basmati rice worth more than Rs. 24,919 crore (3.37 million MT) in FY 2019, 17% higher than Rs. 21,319 crore (3.28 million MT) in the corresponding period in the previous fiscal. Like the previous fiscal, growth in the current fiscal too has been driven by firming up of average export realizations (14%), while the volumes have only been marginally higher (2%).

On the basis of rice variety, milled rice accounted for largest market share in 2017 with 80.3% of total rice production. Over the forecast period milled rice is expected to continue their dominance in the rice production. Based on application, 58.1% rice is for food use and rest for other applications.

In the era of technology advancement, there is

trend of producing genetically modified (GM) rice to ascertain the quality of rice and food security. Though commercially there is no production of GM rice, but many varieties have been approved for commercial production which is expected to boost the India rice industry.

Rice is a staple crop for 70% of the world and thus the demand for rice is expected to continue to grow over the forecast period. The food security concerns all over the world is driving the growth of the India rice industry, which by exporting rice to various countries is contributing towards global food security.

With the climate change, continuous rising demand by consumers and the food security, rice industry is facing the challenge of producing rice without compromising on efficiency, equitability, environmentally-

friendly, and more resilience to climate change. It has become imperative to produce rice at lesser land, with lesser water and labor. India is also facing lack of adequate agriculture infrastructure such as technologically advanced equipment, transportation network, and effective public private partnership.

The strong growth in the current fiscal also foretells the need to be cautious. The inventory funding requirements of the industry have been increasing thereby accentuating price risk. In such a scenario, minor dip in international demand, especially given high concentration on one country for almost a third of the total exports, renders the industry vulnerable to some extent. The industry may be at the peak of the paddy price cycle, which was last witnessed in FY 2014 before the prices corrected.





BOARD OF DIRECTORS



Mr. Suraj Parkash Gupta, aged 77 years, is the honorary Chairman of our Company. He has been the Chairman of our Company since February 1, 2016. He has cleared his higher secondary examination from Sri Ranbir Multilateral Higher Secondary School. He has more than forty (40) years of rich experience in the basmati rice industry. He has been instrumental in forming our Company and the source of inspiration behind our Company's goals and ideals.



Mr. Rohit Gupta, aged 50 years, is the Promoter and Managing Director of your 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, your Company was awarded the "Best Industry Award" from Mr. Omar Abdulla, the former Chief Minister of Jammu and Kashmir.



Mr. Anil Kumar, aged 42 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 43 years, is the Executive Director of our Company. She has obtained her Ph.D in Mycology and Plant Pathology and her Masters in Mycology and Plant Pathology from Dr. Yashwant Singh Parmar University of Horticulture and Forestry, Solan, Himachal Pradesh and Bachelors of Science (Medical) from Himachal Pradesh University. She has more than ten (10) years of experience in organic farming and related sector. She has contributed to the development of organic farming projects, good agricultural practices for growth of promoting organic produce of our Company.



Dr. Tej Partap, aged 67 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 64 years, is an Independent Director of our Company. He has obtained his degree in Masters and Bachelor of Arts from University of Madras. He is also holds a Certificate from Associate of the Indian Institute of Bankers. He has more than thirty (30) years of experience in the banking sector. He also has been an Independent Director of Shree Ambika Sugars Limited. Furthermore, he is working as a consultant to various companies in the areas of banking, credit and foreign exchange.



Mr. Jagdish Lal Sharma, aged 64 years, is an Independent Director of our Company. He has obtained his Bachelor of Arts and Bachelor of Law from the University of Jammu. He had been a practicing lawyer before joining and serving the J&K Police more than thirty (30) years.



Mr. Adarsh Kumar Gupta, aged about 68 years, is an Additional Director (Independent) of our Company. He has done Bachelor of Science from Jammu University. He is having more than 32 years of experience in Banking Sector. He joined J&K Bank in the year 1975 and worked at different designations in the tenure of 32 years. He is retired as Assistant Vice President of J&K Bank in the year 2011.



FINANCIAL HIGHLIGHTS

BALANCE SHEET

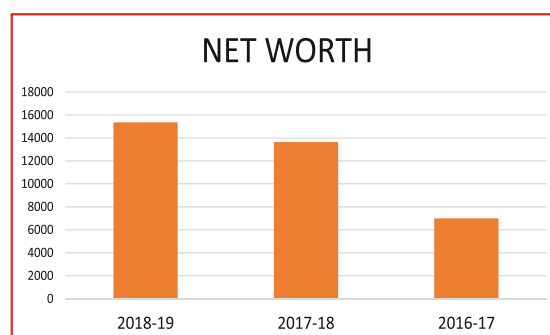
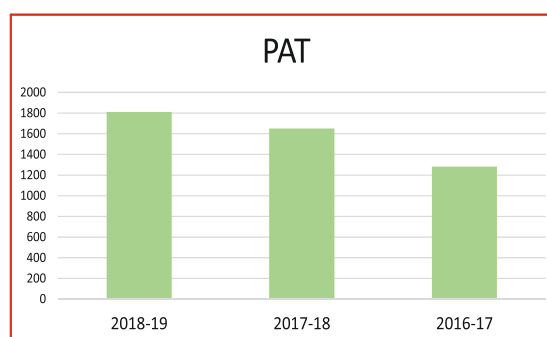
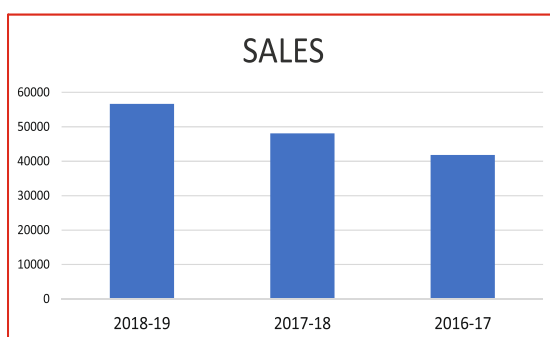
(Rs. In Lacs)

Particulars	CONSOLIDATED			STAND ALONE		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
EQUITY AND LIABILITIES						
Shareholders'fund						
Equity Share Capital	2457	2457	1810	2457	2457	1810
Preference Share Capital	2200	2200	2200			
Reserves & Surplus	10707	8981	2987	9004	8191	2789
Net Worth	15364	13638	6997	11461	10648	4599
Minority Interest	21	19	17			
Non Current Liabilities						
Long Term Borrowings	101	102	360			
Other Long Term Liabilities			200	8	11	111
Long Term Provisions						
Total Loans	101	102	560	8	11	111
Current Liabilities						
Short term Borrowings	20923	17812	17538	8621	6018	7411
Trade Payables	5826	10839	6270	3481	2603	3065
Other Current Liabilities	618	762	935	333	210	238
Short term Provisions	135	118	185	91	44	159
Total Current Liabilities	27502	29530	24928	12525	8875	10873
Total Liabilities	42988	43289	32502	23995	19533	15583
ASSETS						
Fixed Assets						
Tangible Assets	2287	2367	2513	449	456	515
Intangible Assets						
Capital Work in Progress			10			10
Non Current Investments				3057	1499	1858
Deferred Tax Assets	40	33	30	17	11	17
Long Term Loan & Advances				1838		
Other Non Current Assets			820			
Total Non Current Assets	2327	2399	3373	5360	1965	2400
Current Assets						
Inventories	29662	27989	22371	14088	12312	9191
Trade Receivables	9043	9662	6596	3829	1102	3920
Cash & Cash equivalents	57	1649	24	13	1617	18
Short Term Loans & advances						
Other Current Assets	1898	1590	138	704	2537	54
Total Current Assets	40661	40890	29129	18634	17569	13183
Total Assets	42988	43289	32502	23995	19533	15583

PROFITABILITY STATEMENT

(Rs. In Lacs)

Particulars	CONSOLIDATED			STAND ALONE		
	2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
INCOME						
Revenue from Operations	56648	48074	41785	23035	21674	20760
Other Income	364	114	204	231	57	31
Total Income	57012	48188	41989	23266	21731	20791
EXPENDITURE						
Cost of RM Consumed	28280	24693	24211	13686	13291	10562
Purchase of Traded Goods	25526	25152	18549	9551	10996	7909
Changes In Inventories	-3374	-8107	-7030	-3152	-6006	-1650
Employee Benefit Expenses	419	349	397	196	206	248
Depreciation	231	253	271	80	91	91
Finance cost	1371	1845	1873	471	636	819
Other Expenses	2218	1828	1956	1145	1055	1235
Total Expenses	54670	46014	40227	21977	20270	19214
Profit Before Tax	2342	2174	1762	1289	1461	1577
Taxation	530	522	481	372	405	420
Profit After Tax	1812	1653	1281	917	1056	1157
Less: Minority Interest	2	2	1		0	-
Net Profit	1810	1651	1280	917	1056	1157



OUR RICE VARIANTS



OUR ORGANIC PRODUCTS



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 are includes activities like spreading awareness about organic agriculture, farm input preparation, strengthening the farming community, women empowerment programs, training on various aspects of farming and related activities spread across many villages in states of Jammu and Kashmir, Himachal Pradesh, Rajasthan, Madhya Pardesh 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.



PARTICIPATION IN INTERNATIONAL TRADE FAIR



A scenic landscape photograph of a mountain range with a large, vibrant blue lake in the foreground. The mountains are rugged and brownish, with some snow patches. The sky is blue with scattered white clouds. The text "STATUTORY REPORTS" is overlaid in large white letters on the lower half of the image.

STATUTORY REPORTS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **15th Annual General Meeting** of the members of **SARVESHWAR FOODS LIMITED (CIN: L15312JK2004PLC002444)** will be held on 27th day of September, 2019 at 11.00 A.M at **Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir 180006** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st of March, 2019 and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statements of the company for the financial year ended 31st March, 2019.
2. To appoint Director in place of **Dr. Gayatri Tandon (DIN: 07417422)**, who retires by rotation and being eligible offers herself 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 13th 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 18th 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 15th Annual General Meeting of the Company to the conclusion of the 16th Annual General Meeting to be held in 2020, 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 Special Resolution Resolution:

Approval of Sarveshwar Foods Limited Employee Stock Option Scheme 2019 (SFL ESOS 2019).

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to all applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) (the "**Companies Act**") read with the rules made thereunder, and subject to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued thereunder (collectively, the "**SEBI SBEB Regulations**"), including the relevant circulars and notifications, if any, Issued by the Securities and Exchange Board of India ("**SEBI**"), from time to time and the Memorandum of Association and Articles of Association of the Company, approval of shareholders in general meeting and subject to such other approvals, permissions, sanctions, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Board be and is hereby accorded to the proposed the SFL ESOS 2019 (the "**Scheme**"), and to create, offer, issue and allot in one or more tranches under the said Scheme at any time, for such number of stock options /equity shares and / or equity linked instruments including any other instruments or securities which could give rise to the issue of equity shares of the Company for the benefit of present and future, permanent employees of the Company and its director(s), whether whole time director or not but excluding independent directors, as approved by the Board of Directors be and is hereby approved.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT Mr. Arvind Goyal, Practicing Chartered Accountant (Membership No. 089713) of M/s. ATRUECFO & CONSULTANTS LLO, Practicing Chartered Accountants, has given his

consent to act as Scrutinizer, if so appointed, be and is hereby appointed as Scrutinizer to conduct the e-voting at such remuneration and out of pocket expenses, as may be determined by Mr. Anil Sharma, Director, excluding incidental expenses, which will be reimbursed by the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms mentioned in the explanatory statement to this resolution, which are hereby approved by the Members, the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the terms and conditions of SFL ESOS 2019, from time to time, as it may in its sole and absolute discretion decide, which shall not be detrimental to the interests of the Employees, subject to the conformity with the SEBI SBEB Regulations and issue clarifications in this regard."

RESOLVED FURTHER THAT the Nomination, Remuneration and Compensation Committee be and is hereby also authorised to determine, modify and vary all or any of the terms and conditions of the Scheme as it may in its absolute discretion determine subject to applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion, deems necessary including authorising or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme 2018, as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals, if any, required by the Securities and Exchange Board of India / the stock exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

2.Approval of SFL ESOS Trust for the eligible employees of the Company.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, Regulation 6(1) and the other relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations") (including any statutory modification(s), or re-enactment(s) thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines that may be issued by Securities and Exchange Board of India and/or other appropriate authorities, from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of Directors (hereinafter referred as "the NRC") which has been duly constituted by the Board, inter alia, to act as the Compensation Committee under Regulation 5 of SEBI SBEB Regulations and to exercise its powers, including the powers conferred by this resolution) to implement SFL ESOS Scheme – 2019', which shall be administered by the Trustees of the 'SFL ESOS Trust' (the "Trust") and supervised by the Board, authorizing to create and grant from time to time, in one or more tranches, not exceeding 5,00,000 (Five Lakh) employee stock options thereunder, to the eligible employees of the Company (including present and future employees) whether whole-time director or not, whether in India or abroad (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) (the "Employees"), exercisable into not more than 5,00,000 (Five Lakh) equity shares of face value of Rs. 10/- (Rupees Ten only) each fully paid-up (or such adjusted numbers from any bonus, stock splits, or consolidation or other re-organisation of the capital structure of the Company, as may be applicable, from time to time), which upon exercise to be transferred by the Trust from its existing shareholding, on such terms and in such manner the

Board may decide in accordance with the provisions of the applicable laws and the provisions of SFL ESOS Trust.”

RESOLVED FURTHER THAT the Company and the Trust shall conform to the accounting policies prescribed in Regulation 15 of the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable in connection with implementation of SFL ESOS Trust.”

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms mentioned in the explanatory statement to this resolution, which are hereby approved by the Members, the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the terms and conditions of SFL ESOS Trust, from time to time, as it may in its sole and absolute discretion decide, subject to the conformity with the SEBI SBEB Regulations and issue clarifications in this regard.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of SFL ESOS Trust without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to the NRC and/or director(s) and/ or officer(s) of the Company, to give effect to this resolution.”

RESOLVED FURTHER THAT approval of the Board be and is hereby accorded to conduct the Annual General Meeting in order to seek consent of shareholders of the Company by way of Special Resolution for the proposed to subscribe to the equity shares of the Company, from the secondary market.

RESOLVED FURTHER THAT Mr. Arvind Goyal, Practising Chartered Accountant of M/s. ATRUECFO & CONSULTANTS LLP, Chartered Accountants, has given his consent to act as

Scrutinizer, if so appointed, be and is hereby appointed as Scrutinizer to conduct the e-voting at such remuneration and out of pocket expenses, as may be determined by Mr. Anil Sharma, Director excluding incidental expenses, which will be reimbursed by the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Act, read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, approval of the members of the Company be and is hereby accorded to the Board of Directors ("**Board**" which term shall be deemed to include any Committee thereof) to extend an interest free loan to the Trust upto Rs. 50,00,000 or such higher amount as may be sanctioned by the Board, taking into account any potential increase in the market price of the equity shares of the Company, for subscription up to 5,00,000 equity shares of the Company representing 2.03% of the paid up equity capital of the Company for the purpose of implementation of the Scheme subject to overall limits, if any, specified under the Companies Act or the SEBI SBEB Regulations."

ITEM NO. 3

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, 203, schedule V and any other applicable provisions if any, of the Companies Act, 2013, or any amendment or modifications or any re-enactment thereof, the approval of members is hereby accorded to for the appointment of Mr. Surendar Singh Jasrotia as the Managing Director & Chief Executive Officer of the Company for a period of Three years w.e.f. 26th August 2019 to 25th August, 2022 at the remuneration of Rs. 2,00,000 per month.

Explanation:

“Family” means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend any term /condition of the said appointment or as may be required in terms of approval of Central Government and agreed to by the appointee and to do all acts, things and deeds as may be deemed necessary to

give effect to the appointment of Mr. Surendar Singh Jasrotia as the Managing Director and Chief Executive Officer .

RESOLVED FURTHER THAT Mr. Gayatri Tandon , Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Surendar Singh Jasrotia subject to such changes or modifications as may be approved by the members and agreed to by the Board and by the appointee.

ITEM NO. 4

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

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Dr. Uttar Kumar Padha (holding DIN No. 07372338), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 26th August, 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 Mr. Dr. Uttar Kumar Padha as a candidate for the office of Independent Director of the Company, whose office shall not be liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 25th August, 2024,”

ITEM NO. 5

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

“RESOLVED THAT pursuant to the provisions of sections 196,197,198,203, schedule V and any other applicable provisions if any, of the Companies Act, 2013, or any amendment or modifications or any re-enactment thereof, the approval of members is hereby accorded to for the appointment of Mr. Anil Sharma as the Joint Managing Director of the Company for a period of three year w.e.f. 26th August 2019 to 25th August, 2022 at the

remuneration of Rs. 1,25,000/-.

Explanation:

“Family” means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend any term /condition of the said appointment or as may be required in terms of approval of Central Government and agreed to by the appointee and to do all acts, things and deeds as may be deemed necessary to give effect to the appointment of Mr. Anil Sharma as the Joint Managing Director.

RESOLVED FURTHER THAT Mrs. Gayatri Tandon, Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Anil Sharma subject to such changes or modifications as may be approved by the members and agreed to by the Board and by the appointee.

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

ROHIT GUPTA
MANAGING DIRECTOR
DIN: 02715232

Place : Jammu
Date : 26/08/2019

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 ESOP, 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 Friday, 20th September, 2019 to Friday, 27th September, 2019 (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. end 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 15th 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 24th September, 2019 (09.00 A.M. IST) and will end on 26th September, 2019 (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 19th September, 2019 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. Arvind Goyal, Practicing Chartered Accountant (Membership No. 089713) of M/s. ATRUECFO & CONSULATNTS LLP, Practicing Chartered Accountants 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) of the Company and shall also be communicated to the National Stock Exchange. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.

The instructions for shareholders voting electronically are as under:

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

- i. Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nSDL.com/>
- iii. Click on Shareholder – Login
- iv. Put your user ID and password (the initial password mentioned in the e-mail sent by NSDL to shareholders whose email addresses are registered with the company/depository participant(s) or mentioned in the postal ballot form) and verification code as displayed. Click Login.
- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii. Select "EVEN" of "Sarveshwar Foods Limited".
- viii. Now you are ready for remote e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will

not be allowed to modify your vote.

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

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

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

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

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

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

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

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details /Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

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

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

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

IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2019.

V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@bigshareonline.com.

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

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

VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VIII. Mr. Arvind Goyal of M/s. ATRUECFO & CONSULTANTS LLP, Practicing Chartered Accountants has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

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

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

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

More details about Dr. Gayatri Tandon seeking re-appointment at the forthcoming Annual General Meeting are as under:

Name of Director	Dr. Gayatri Tandon
Date of Birth	30/07/1976
Expertise in specific functional areas	Dr. Gaytri Tandon is leading various projects of organic basmati production in R.S Pura, Kathua, Bhaderwah, Chadwal, Paragwal, Khour area of Jammu. Further, she is also leading the project promotion of organic exports of Basmati Rice, transaction of Certificate Generation. She is also involved in organic processing and Organic Trading in the Company. Dr. Tandon expertise is being utilized in various areas involved under the Organic head of the business.
No. of Equity Shares held in the company	200 Equity Shares
List of Directorship in other companies	<ul style="list-style-type: none"> • Sarveshwar Overseas Limited • Himpure Bioagri Products Private Limited
Chairman/ Member of the Committee of Board of Directors of the company	NIL
Chairman/ Member of the Committee of Board of Directors of other companies	NIL

SPECIAL RESOLUTION

Item Nos. 1 and 2:

Stock options represent a reward system based on performance. They help companies to attract, retain and motivate the best available talent. Stock options

also have gone a long way in aligning the interest of the employees with that of the organisation besides providing employees an opportunity to participate in the growth of the Company and creating long term wealth in their hands.

The Board of Directors of the Company at its meeting held on 26th August, 2019, keeping in view the aforesaid objectives, formulated the **SARVESHWAR FOODS LIMITED EMPLOYEE STOCK OPTION SCHEME 2019 ("SFL ESOS 2019")**. At the said meeting, the Board authorized the Compensation Committee for the superintendence of SFL ESOS 2019.

Grant of stock options under SFL ESOS 2019 shall be as per the terms and conditions as may be decided by the Compensation Committee from time to time in accordance with the provisions of Companies Act, 2013, the rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"). The SFL ESOS 2019 is proposed to be implemented through the SFL ESOS Trust (the "**Trust**"). The Trust will subscribe to the equity shares of the Company for this purpose.

Under the provisions of the Companies Act, 2013 and the SEBI SBEB Regulations, approval of the members by way of a special resolution is required for a stock option plan involving subscription of equity shares of the company.

The salient features of the SFL ESOS 2019 are as under:

1. Total number of Options to be granted

a. A total of 5,00,000 options would be available for grant to the eligible employees of the Company and its director(s) excluding independent directors.

b. Number of options shall be adjusted due to any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company.

c. Each option when exercised would give the option holder a right to get one fully paid equity share of the Company.

d. In cases where options, whether vested or unvested, lapse or expire or are forfeited for any reason, the Compensation Committee may re-issue the options to other eligible employees. The options so issued shall be subject to the terms and

conditions of SFL ESOS 2019.

2. Implementation of SFL ESOS 2019 through the Trust

SFL ESOS 2019 would be implemented through the Trust. The Trust shall be authorized to subscribe to the equity shares of the Company. The Company proposes to provide financial assistance to the Trust for this purpose subject to the overall limits specified under the applicable laws. In terms of the SEBI SBEB Regulations, the Compensation Committee shall delegate the administration and implementation of the Scheme to the Trust.

3. Classes of employees entitled to participate in SFL ESOS 2019

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company as may be determined by the Compensation Committee from time to time, shall be eligible to participate in the Scheme.

The promoter, the person belonging to the promoter group or director, who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme. Moreover, independent directors are also not eligible to participate in the Scheme.

4. Requirements of Vesting, period of Vesting and maximum period of Vesting

The options granted shall vest so long as the employee continues to be in the employment of the Company. The vesting period shall be decided by the Compensation Committee from time to time but shall not be less than one year and not more than three years from the date of grant of options.

5. Exercise Price or pricing formula

The exercise price shall be equivalent to the face value of the equity shares of the Company. Employee shall bear all tax liability in relation to the options.

6. Exercise Period and process of exercise

The Compensation Committee shall decide the exercise period from time to time which can be extended upto three years from the vesting date(s).

The grantee can exercise the options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee, from time to time. There shall be no lock-in period on shares transferred to employees pursuant to exercise of option.

The Scheme will also permit cashless exercise of options. When a grantee exercises the option, the corresponding shares relating to such option exercised will be sold within a reasonable time on a stock exchange on which the shares are listed and publicly traded at the time of such cashless exercise, and the grantee will be entitled to receive the difference between the selling price and the exercise price for the options exercised by him after deducting taxes payable on exercise/sale, if any, and other amounts, expenses and charges due from him (including that in connection with the sale of shares).

For the purpose of implementing the cashless exercise, the Compensation Committee shall be entitled to specify such procedures and/or mechanisms for exercise of the Options as may be necessary and the same shall be binding on the Grantee.

7. Appraisal process for determining the eligibility of the employees

The process for determining the eligibility of the employees will be specified by the Compensation Committee and will be based on grade, average fixed compensation of the grade performance linked parameters such as work performance and such other criteria as may be determined by the Compensation Committee at its sole discretion, from time to time.

8. Maximum number of options to be granted per employee

The maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on a case to case basis and shall not exceed the limit prescribed under the SEBI SBEB Regulations and other applicable laws.

9. Compliance with Accounting Policies

The Company shall follow the Guidance Note on accounting for employee share based payments

and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

10. Method of valuation of options

The Company will adopt the fair value method for accounting purposes. Black-Scholes option pricing model will be used for determining the fair value of an option granted under the Scheme.

The Compensation Committee shall have all the powers to take necessary decisions for effective implementation of the Scheme. In terms of the provisions of the SEBI SBEB Regulations, the Scheme is required to be approved by the shareholders by way of passing of special resolution.

The shares allotted pursuant to the exercise of the stock options, shall be listed on National Stock Exchange of India Limited.

Consent of the Members is sought under SEBI SBEB Regulations by way of a special resolution. The resolution and the terms stated therein as also the terms stated in this explanatory statement hereinabove shall be subject to the guidelines/regulations issued/to be issued by statutory authorities in that behalf and the Board shall have the sole and absolute authority to modify the terms herein which do not conform with the provisions of the said guidelines/regulations.

A copy of the draft Scheme will be available for inspection on all working days (Monday to Friday) between 10.00 a.m. and 1.00 p.m. at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions except to the extent of the stock options that may be granted to them under the Scheme.

The Board recommends passing of the resolutions as set out under Item No. 1 in the Notice under the

heading Special Resolution for approval of the members as a special resolution.

Item No.2

In terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), employees' welfare schemes may be implemented *inter-alia* by subscribing to equity shares of the company.

It is proposed that the SFL ESOS Trust (the "**Trust**") be entrusted with the responsibility of administration and implementation of the SFL ESOS 2019 (the "**Scheme**") for this purpose. The Trust will not acquire any securities from the secondary market for the purpose of for the implementation of the Scheme.

The Company proposes to provide financial assistance to the Trust of upto Rs. 50,00,000 for the purpose of implementation of the Scheme. It is proposed that the Board be provided with the flexibility to sanction a higher loan amount if the cost of the subscription exceeds the amount sanctioned, in view of the increase in the price of the equity shares of the Company. The loan shall be an interest free loan and is proposed to be utilized for implementation of the Scheme. As and when the exercise price is recovered from the employees from time to time upon exercise of option, the Trust shall repay the loan amount to the Company.

Disclosures as required under Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014:

1. The class of employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to shares:

Present and future, permanent employees and directors (whether whole time director or not but excluding independent directors) of the Company as may be determined by Compensation Committee from time to time, shall be eligible to participate in the Scheme.

The promoter, the person belonging to the promoter group or director, who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme. Moreover, independent directors are also not eligible to

participate in the Scheme.

2. The particulars of the trustee or employees in whose favour such shares are to be registered:

The shares will be registered in the name of all or any of the trustees to hold equity shares of the Company for and on behalf of the Trust.

3. The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

Name and Address of the Trust: SFLESOS TRUST

Address: Sarveshwar House,
Below Gummat, Jammu-180 001,
Jammu & Kashmir.

Particulars of the Trustees are given below:

Name of Trustee	Address	Occupation	Nationality
Praveen Khujaria	Traf Brahmana, Pandorian Manhasan Behna Jammu	Service	Indian
Dinesh Kumar	Village Gola, Tehsil Bhatiyat, Gola Chamba, Himachal Pradesh.	Service	Indian

None of the Trustees are related to the Promoters/Directors/Key Managerial Personnel of the Company. Subject to compliance of the provisions of applicable laws, the aforesaid Trustees may be changed at any time.

4. Any interest of Key Managerial Personnel, Directors or Promoters in such scheme or trust and effect thereof:

The Directors and Key Managerial Personnel are interested in the Scheme only to the extent of stock options that may be granted to them under the Scheme.

5. The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:

Upon exercise of stock options, the eligible employees will be entitled to equivalent number of equity shares of the Company, at a pre-determined exercise price as per the terms of grant.

6. The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the Scheme would be exercised:

The SEBI SBEB Regulations provides that the Trustees of the Trust, which is governed under the SEBI SBEB Regulations, shall not vote in respect of the shares held by such Trust, so as to avoid any misuse arising out of exercising such voting rights.

In line with the requirements of the SEBI SBEB Regulations, the Trustees shall not exercise voting rights in respect of the Equity Shares held by the Trust pursuant to the Scheme.

In terms of the provisions of the applicable laws, approval of the members by passing of special resolution as set out under Item no. 2 is sought for the implementation of the Scheme by the Trust and also to extend financial assistance to the Trust towards subscription of equity shares.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution except to the extent of the stock options that may be granted to them under the Scheme.

The Board recommends the passing of resolution as set out under Item No. 2 for approval of the members by way of passing of special resolution.

SPECIAL BUSINESS

ITEM NO. 3

Mr. Surendar Singh Jasrotia is an expert in building distribution network, producing sustainable profits & EBITA growth with optimum focus on client acquisition, revenue mapping and product management. He has varied experience and has been associated with Companies such as DHFL, Airtel, Pepsico, Cear, Beverly Hills Polo Club etc in top management positions. Considering the active involvement and severe hard work put by Mr. Surendar Singh Jasotia in the Company, the Board of Directors in its meeting held on 26.08.2019 has approved the appointment of Mr. Surendar Singh Jasotia as the Managing Director and Chief Executive Officer and remuneration payable to him for a further period of three years with effect from 26th August 2019 to 25th August 2022, The Remuneration Committee has also approved the

terms of appointment and remuneration of Mr. Surendar Singh Jasotia as stated in the resolution. The said appointment and remuneration is pursuant to Section 196,197,198,203 read with Schedule V of the Companies Act, 2013 and subject to the approval of members and Central Government as may be required. Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST:

None of the Directors except Mr. Surendar Singh Jasotia, being the appointee is concerned or interested in the resolution.

ITEM NO. 4

The Board of Directors at their meeting held on 26th August, 2019 appointed Dr. Uttar Kumar Padha as an Additional Director of the Company to take effect from 26th August, 2019. Dr. Uttar Kumar Padha holds office up to the date of the ensuing Annual General Meeting.

In terms of Sections 149, 150, 152 and other applicable provisions of the Companies Act 2013, Dr. Uttar Kumar Padha, being eligible and seeking appointment, is proposed to be appointed as an Independent Director to hold office for a term up to 25th August, 2024. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Dr. Uttar Kumar Padha for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Dr. Uttar Kumar Padha, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of the Management. A Copy of the draft letter for appointment of Dr. Uttar Kumar Padha as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM. The Board considers that his association would be of immense benefit to the Company.

The resolution seeks the approval of members for the appointment of Dr. Uttar Kumar Padha as an Independent director of the Company up to 25th August, 2024, pursuant to applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

None of the Directors, Key Managerial personnel or their relatives, except Dr. Uttar Kumar Padha, to

whom the resolution relates, are interested or concerned in this resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the 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.

ITEM NO. 5

Mr. Anil Kumar 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. The Board of Directors in its meeting held on 26.08.2019 has approved the appointment of Mr. Anil Sharma as the Joint Managing Director and remuneration payable to him for a further period of three years with effect from 26th August 2019 to 25th August 2022,. The Remuneration Committee has also approved the terms of appointment and remuneration of Mr. Anil Sharma as stated in the resolution. The said appointment and remuneration is pursuant to Section 196,197,198,203 read with Schedule V of the Companies Act, 2013 and subject to the approval of members and Central Government as may be required. Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST:

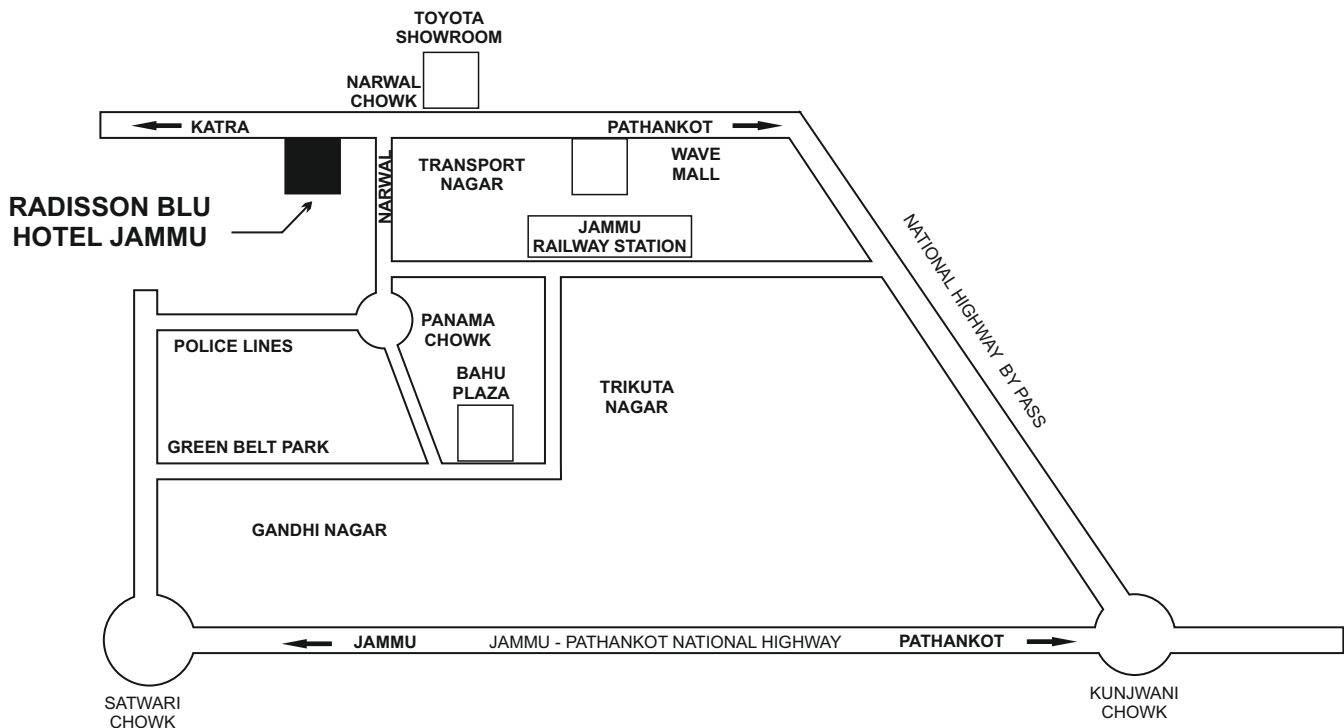
None of the Directors except Mr. Anil Sharma, being the appointee is concerned or interested in the resolution.

ANNEXURE TO NOTICE

More details about Dr. Gayatri Tandon seeking re-appointment at the forthcoming Annual General Meeting are as under:-

Name of Director	Dr. Gayatri Tandon
Date of Birth	30/07/1976
Expertise in specific functional areas	Dr. Gayatri Tandon is leading various projects of organic basmati production in R.S Pura, Kathua, Bhaderwah, Chadwal, Paragwal, Khour area of Jammu. Further, she is also leading the project promotion of organic exports of Basmati Rice, transaction of Certificate Generation. She is also involved in organic processing and Organic Trading in the Company. Dr. Tandon expertise is being utilized in various areas involved under the Organic head of the business.
No. of Equity Shares held in the company	200 Equity Shares
List of Directorship in other companies	<ul style="list-style-type: none"> • Sarveshwar Overseas Limited • Himpure Bioagri Products Private Limited
Chairman/ Member of the Committee of Board of Directors of the company	NIL
Chairman/ Member of the Committee of Board of Directors of other companies	NIL

ROUTE MAP OF AGM VENUE



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 15th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

Your Company's financial performance for the year under review has been encouraging. Key aspects of Consolidated and Standalone Financial Performance of Sarveshwar Foods Limited for the Financial Year 2018-19 along with the previous Financial Year 2017-18 are tabulated below:

(Rs. In Lakhs)

PARTICULARS	CONSOLIDATED		STANDALONE	
	Year Ended 31 March, 2019	Year Ended 31 March, 2018	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Revenue from operations	56648	48074	23035	21673
Other Income	364	114	231	57
Total Income	57012	48188	23266	21731
Expenses	53068	43916	21426	19543
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	3944	4272	1840	2188
Depreciation and Amortization Expenses	231	253	80	91
Finance Costs	1371	1845	471	636
Profit before Exceptional Items and Tax	2342	2174	1289	1461
Exceptional Items	NIL	NIL	NIL	NIL
Profit before Tax (PBT)	2342	2174	1289	1461
Current Year	538	524	378	399
Deferred Tax Credit	-7.86	-2.38	-6	7
Profit After Tax (PAT)	1812	1653	917	1055
Minority Interest	2	2	NIL	NIL
Profit after Taxes and Minority Interest	1810	1651	917	1055
Appropriations	-	-	-	-
Earning Per Share (Face Value of Rs. 10/- each)	7.37	8.97	3.73	5.74

FINANCIAL REVIEW:

Pushed by strong shift in consumer preference towards branded basmati rice in the domestic market and export market, Sarveshwar Foods reported excellent numbers during the year 2018-19. The Company performed extremely well and the highlights of the performance on consolidated basis are as under:

- Company's Revenue from Operations is Rs 57012 Lacs (P.Y. Rs. 48187Lacs).
- Company's Profit before Tax increased by 7.73% to Rs 2342 Lacs (P.Y. Rs 2172Lacs) and Profit after Tax (PAT) increased by 9.62 % to Rs 1812 Lacs (P.Y. Rs 1653 Lacs).
- Net Worth of the Company increased by 12.64% to Rs. 15384 Lacs (P.Y. Rs. 13657 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 31st March, 2019.

TRANSFER OF RESERVES:

In view of the robust financial strength of the Company, a sum of Rs. 45.87 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 2018-19 and the authorised share capital of the company remains same as on 31st March, 2019 i.e Rs. 30,00,00,000.

The paid up equity share capital of the Company as on March 31, 2019 is **Rs. 245672000**. 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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company during the financial year 2018-19.

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 2018-19. The Consolidated Financial Statements of your Company for the financial year 2018-19 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. 57012 Lacs in current year as compared to Rs. 48187 Lacs in the previous year. Consolidated Net Profit after Tax increase to Rs. 1812 Lacs as compared to Rs.

1653Lacs in the previous year. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Sunday and holiday upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office / Corporate Office of your Company. The financial statements including the consolidated financial statements, Statement containing salient features of the financial statement of Subsidiaries and all other documents shall also be available on Company's website www.sarveshwarrice.com downloadable format.

BOARD OF DIRECTORS:

As on March 31, 2019, your Company's Board has a strength of 7 (Seven) 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)	3	42.86%
Independent Non-Executive	4	57.14%

The detailed section on '**Board of Directors**' is given in the '**Report on Corporate Governance**' forming part of this Annual Report. The Appointment of **Mr. Adarsh Kumar Gupta (DIN: 08135776)** an Independent Director was confirmed by the shareholders in the Annual General Meeting held on 25th September, 2018.

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, Dr. Gayatri Tandon, 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 her expertise in specific functional areas, names of companies in which she has held Directorships, Committee Memberships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting and also forming part of Corporate Governance Report. The Board recommends her re-appointment at the ensuing Annual General Meeting.

AUDIT COMMITTEE:

As on March 31, 2019, 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. Thayagarajan Kumaran	Non-Executive Independent Director	Chairman
Mr. Jagdish Lal Sharma	Non-Executive Independent Director	Member
Mr. Anil Kumar	Executive Director	Member

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

KEY MANAGERIAL PERSONNELS:

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

follows:

S.NO	Name of KMP's	Designation
01.	Mr. Rohit Gupta	Managing Director
02.	Mr. Manoj Chopra	Chief Financial Officer
03.	Ms. Ishrat Gill	Company Secretary

Ms. Ishrat Gill has been appointed as Company Secretary cum Compliance Officer of the company w.e.f. 26th December, 2019.

Mr. Manoj Chopra has been appointed as the Chief Financial Officer of the Company w.e.f. 30th March, 2019.

Resignation of Mr. Deepak Sighvi from the post of Chief Financial Officer of the company w.e.f. 30th March, 2019.

Resignation of Mr. Rajesh Kurup from the post of post of Chief Executive Officer of the Company w.e.f. 19th May, 2018.

DETAILS OF DIRECTORS APPOINTED AND RESIGNED DURING THE YEAR:

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

S. No.	Name of Persons	Designation	Appointment/ Resignation	Date of Appointment/ Resignation
1.	Mr. Adrash Gupta	Independent Director	Appointment	25/09/2018

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:

l) 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 2018-19, Eight 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 2018-19, 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 2018-19.

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 in their report are self-explanatory and do not call for any further comments.

DETAILS OF SUBSIDIARY/JOINT VENTURES /ASSOCIATE COMPANIES:

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a Company's subsidiaries is given as Annexure-V [Performance and financial position of each of the subsidiaries companies included in the consolidated financial statement.

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 IV to this report. The point-wise comments are enumerated as follows.

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

INTERNAL AUDIT & CONTROLS:

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

ISSUE OF EMPLOYEE STOCK OPTIONS:

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

RISK MANAGEMENT POLICY:

Sarveshwar Foods Limited has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management. During the year, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Stock Exchanges, the Company has constituted "Risk Management Committee" who plans risk management, reviews, monitors and identify the risk on regular basis.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR

COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

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

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

According to Section 134 (5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

DEPOSITS:

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

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

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

CORPORATE GOVERNANCE CERTIFICATE:

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

A Certificate from the Practicing Company Secretary

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

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report prepared in accordance of Regulation 34(2)(e) of Listing Regulations forms part of this Annual Report for the year ended 31st March, 2019.

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	2018-19	2017-18
Through Electricity Purchases		
Units	865370	502520
Total Amount (Rs.)	38.96	23.21
Through Diesel		
Total Amount (Rs.)	4.16	4.09

Lighting:

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

(b) Technology, Absorption, Adaption and Innovation:

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	2018-19 (Rs. In Lakhs)	2017-18 (Rs. In Lakhs)
Foreign Exchange earnings	3475.58	3653.91
Foreign Exchange outgo	51.50	22.33

Human Resources:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)© of the Companies Act, 2013, the Director's based on the representations received from the operating management and after due inquiry confirm that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 205A and 205C of the Companies Act, 1956* read with 124 and 125 of the Companies Act, 2013, the company has no dividend which remains unpaid/unclaimed for a period of

seven years from the date of transfer to unpaid dividend account which is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

ANNEXURE INDEX

ANNEXURE	CONTENT
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 31st March, 2019**

[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 (As on 31st March, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	18099800	Nil	18099800	73.675	18088800	Nil	18088800	73.630	0.0608
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	Nil	Nil	Nil	Nil	11000	Nil	11000	0.045	Nil
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 (As on 31st March, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
	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)	184000	Nil	184000	0.75	9600	Nil	9600	0.039	94.783
Sub-total (B)(1):-	184,000	Nil	184,000	0.750	9,600	Nil	9,600	0.039	94.783
2. Non Institutions									
a) Bodies Corp.									
i) Indian	1132636	Nil	1132636	4.61	999436	Nil	999436	4.068	11.7602
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakh	3317278	Nil	3317278	13.503	3154925	Nil	3154925	12.8420	4.8942
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1092800	Nil	1092800	4.448	1721600	Nil	1721600	7.0077	(57.5403)
c) Others									
i) Non Residents Indian (Repat)	443191	Nil	443191	1.804	497600	Nil	497600	2.025465	(12.2766)
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	Nil	Nil	Nil	Nil	Nil
v) Clearing Member	297495	Nil	297495	1.21	84239	Nil	84239	0.343	71.684
vi) Investor Education and Protection Fund (Ministry of Corporate Affairs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	6283400	Nil	6283400	25.575	6457800	Nil	6457800	26.286	(2.7756)
Total Public Shareholding (B) = (B)(1) + (B)(2)	6467400	Nil	6467400	26.325	6,467,400	Nil	6,467,400	26.325	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A + B + C)	24567200	Nil	24567200	100	24,567,200	Nil	24,567,200	100	Nil

(ii) Shareholding of Promoters

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

(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)	
		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, 2019	409600	Nil	409600	1.66
02.	Paladugu Dhananjaya Rao	408000	1.66	March, 2019	408000	Nil	408000	1.66
03.	Bal Krishen	406400	1.65	March, 2019	406400	Nil	406400	1.65
04.	Keynote Capitals Ltd	235200	0.96	March, 2019	297600	Purchase	297600	1.21
05.	Backbay Equity Partners LLP	243200	0.99	March, 2019	243200	Nil	243200	0.99
06.	P F Dadabhao	14400	0.06	March, 2019	182400	Purchase	182400	0.74
07.	Sumpoorna Portfolio Limited	22400	0.09	March, 2019	145600	Purchase	145600	0.59
08.	Sahil Gupta	NIL	NIL	March, 2019	126400	Purchase	126400	0.51
09.	G Das Capital Markets Private Limited	124800	0.51	March, 2019	124800	Nil	124800	0.51
10.	Asit C. Mehta Investment Intermediates Limited	1600	0.006	March, 2019	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)	
		No. of Shares at the beginning	% of Total Shares of the company				No. of Shares	% of Total Shares of the company
DIRECTORS:								
01.	Rohit Gupta	1,80,88,800	73.629	March, 2019	Nil	Nil	1,80,88,800	73.629
02.	Anil Kumar	200	0.001	March, 2019	NIL	NIL	200	0.0009
03.	Gayatri Tandon	1600	0.006	March, 2019	NIL	NIL	1600	0.006
04.	Thyagarajan Kumaran	NIL	NIL	March, 2019	NIL	NIL	NIL	NIL
05.	Tej Partap	NIL	NIL	March, 2019	NIL	NIL	NIL	NIL
06.	Jagdish Lal Sharma	NIL	NIL	March, 2019	NIL	NIL	NIL	NIL
07.	Adarsh Kumar Gupta	NIL	NIL	March, 2019	NIL	NIL	NIL	NIL
KEY MANAGERIAL PERSONNEL:								
01.	Ishrat Gill (CS)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
02.	Manoj Chopra (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	5562.02/-	Nil	Nil	5562.02/-
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due				
Total (i + ii + iii)	5562.02/-	Nil	Nil	5562.02/-
Change in Indebtedness during the financial year				
• Addition	3058.71/-	Nil	Nil	3058.71/-
• Reduction	Nil	Nil	Nil	Nil
Net Change	3058.71/-	Nil	Nil	3058.71/-
Indebtedness at the end of the financial year				
i) Principal Amount	8620.73 /-	Nil	Nil	8620.73 /-
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	8620.73 /-	Nil	Nil	8620.73 /-

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
		ROHIT GUPTA (MANAGING DIRECTOR)	ANIL KUMAR (EXECUTIVE DIRECTOR)	GAYATRI TANDON (EXECUTIVE DIRECTOR)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	6.55	8.27	44.82
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	Nil	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profits - others	Nil	Nil	Nil	Nil
5.	Others	Nil	Nil	Nil	Nil
	Total A	30.00	6.55	8.27	44.82
	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
		ADARSH KUMAR GUPTA	TEJ PARTAP	JAGDISH LAL SHARMA	Thyagarajan Kumaran	
1.	1. Independent Directors Fee for attending board / committee meetings • Commission • Others	0.50	0.25	1.00	Nil	1.75
	Total (1)	Nil	Nil		Nil	Nil
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others	Nil	Nil		Nil	Nil
	Total (2)	Nil	Nil		Nil	Nil
	Total (B) = (1)+(2)	0.25	0.25	1.00	Nil	1.75
	Total Managerial Remuneration	Nil	Nil		Nil	Nil
	Overall Ceiling as per the Act	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
		Deepak Singhvi (CFO)	Ishrat Gill (CS)	Prabhdeep Kour (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 At, 1961	12.10	1.42	2.83	16.35
		Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profits - others	Nil	Nil	Nil	Nil
5.	Others	Nil	Nil	Nil	Nil
	Total A	12.10	1.42	2.83	16.35

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)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other officers in default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of Directors

ROHIT GUPTA
MANAGING DIRECTOR
DIN: 02715232

ANIL KUMAR
DIRECTOR
DIN: 07417538

Date: 26-08-2019
Place: Jammu

ANNEXURE -II TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

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, 2019:**

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

- Average net profit of the company for last three financial years:
- Financial Year Net Profit Before Tax (Rs. In Lakhs)

Financial Year	Net Profit Before Tax (Rs. In Lakhs)
2015-2016	609.02
2016-2017	1577.06
2017-2018	1460.93
Gross Total	3647.01

- Average Net Profit of Three preceding years Rs. 1215.67 Lacs
- Provision of CSR Expenditure @ 2% of average net profits Rs. 24.31 Lacs
- Prescribed CSR Expenditure (two per cent. of the amount as in above item) Rs. 24.31 Lacs
- Details of CSR spent during the financial year. Rs. 17.44 Lacs (As per the table below)
- Total amount to be spent for the financial year; Rs. 42.23 Lacs (Last Year unspent FY 2017-18 of Rs. 17.92 Lacs included) Amount unspent, if any: - Rs. 24.79 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. 12 Lacs	Rs. 12 Lacs	Rs. 12 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. 5.44 Lacs	Rs. 5.44 Lacs	Rs. 5.44 Lacs	Kisan Samaridhi Society- Bir, Kisan Shakti Society- Jiya, Kisan Unnati Project, Una Kisan Unnati Project 2, Basoli
	TOTAL			Rs. 17.44 Lacs			

As per provision of Section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is Rs. 42.23 Lacs during the financial year, 2018-19, however, the Company despite of its best efforts for the utilization of eligible amount towards CSR, could spend only Rs. 17.44 Lacs, the unspent amount of Rs. 24.79 Lacs shall be spent in the current financial year.

For and on behalf of Board of Directors

Date: 26/08/2019
Place: Jammu

ROHIT GUPTA
MANAGING DIRECTOR
DIN: 02715232

ANIL KUMAR
DIRECTOR
DIN: 07417538

ANNEXURE -III TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

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.

S.No.	Particulars	Details
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.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Rohit Gupta, Managing Director
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	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
SL. No.	Particulars	Details
2	Name (s) of the related party & nature of relationship	Suraj Prakash Gupta, Relative of the Director
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 12 Lacs
	Date of approval by the Board	26/05/2018
SL. No.	Particulars	Details
3	Name (s) of the related party & nature of relationship	Radha Rani Gupta, Relative of the Director
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 30 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
4	Name (s) of the related party & nature of relationship	Pooja Gupta, Relative of the Director
	Nature of contracts/arrangements/transaction	Rent Agreement
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 24.00 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
5	Name (s) of the related party & nature of relationship	Rohit Gupta, Managing Director
	Nature of contracts/arrangements/transaction	Salary
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 30 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
6	Name (s) of the related party & nature of relationship	Sarveshwar Logistics, Partnership Firm in which Mr. Anil Kumar, Director of the company is partner
	Nature of contracts/arrangements/transaction	Freight
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 36.00 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
7	Name (s) of the related party & nature of relationship	Himalayan Bio Organic Foods Private Limited, Wholly Owned Subsidiary Company
	Nature of contracts/arrangements/transaction	Purchase
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 293.96 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
8	Name (s) of the related party & nature of relationship	Himalayan Bio Organic Foods Private Limited, Wholly Owned Subsidiary Company
	Nature of contracts/arrangements/transaction	Sales
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 8.64 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
9	Name (s) of the related party & nature of relationship	Himalayan Bio Organic Foods Private Limited, Wholly Owned Subsidiary Company
	Nature of contracts/arrangements/transaction	Job Work
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 38.48 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
10	Name (s) of the related party & nature of relationship	Sarveshwar Overseas Limited, Wholly Owned Subsidiary Company
	Nature of contracts/arrangements/transaction	Purchases
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 99.83 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
11	Name (s) of the related party & nature of relationship	Sarveshwar Overseas Limited, Wholly Owned Subsidiary Company
	Nature of contracts/arrangements/transaction	Sales
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 1351.63 Lacs
	Date of approval by the Board	26/05/2018
	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
12	Name (s) of the related party & nature of relationship	Sarveshwar International, Partnership Firm
	Nature of contracts/arrangements/transaction	Purchases
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 140.97 Lacs
	Date of approval by the Board	25/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
13	Name (s) of the related party & nature of relationship	Sarveshwar International, Partnership Firm
	Nature of contracts/arrangements/transaction	Sales
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 19.99 Lacs
	Date of approval by the Board	25/05/2018
	Amount paid as advances, if any	NIL
SL. No.	Particulars	Details
14	Name (s) of the related party & nature of relationship	Radhika Overseas Proprietorship concern in which Relative of the Director
	Nature of contracts/arrangements/transaction	Purchase
	Duration of the contracts/arrangements/transaction	F.Y 18-19
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 378.10 Lacs
	Date of approval by the Board	25/05/2018
	Amount paid as advances, if any	NIL

For and on behalf of Board of Directors

ROHIT GUPTA
MANAGING DIRECTOR
DIN: 02715232

ANIL KUMAR
DIRECTOR
DIN: 07417538

Date: 26/08/2019
Place: Jammu

**ANNEXURE -IV TO DIRECTORS REPORT
FOR THE YEAR ENDED 31ST MARCH, 2019
FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2019**

**[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**

We 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 die "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 2019 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, 2019 according to the provisionsof:

- (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;
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, 2018-19 is Rs 24,31,340, and the expenditure for the same amounts to RS 17,44,659.

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.

Change in designation of Mr. Adarsh Kumar Gupta as Independent Directors of the company on 25th Sep, 2018

Appointment of Ms. Ishrat Gill as Whole Time Company Secretary of the company on 26th Dec, 2018.

Appointment of Mr. Manoj Chopra as the Chief Financial Officer of the Company on 30th March 2019

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

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

**Place: Srinagar
Date: 03/08/2019**

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, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the

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

Sd/-
Aamir Aslam
M.No: 49686
CP No: 18068
Place: Srinagar
Date: 03/08/2019

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 as considered necessary' and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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: 03/08/2019

**ANNEXURE -V TO DIRECTORS REPORT
FOR THE YEAR ENDED 31ST MARCH, 2019**

**Statement Containing certain financial
information of subsidiaries, associate
Companies and Joint Ventures of Sarveshwar
Foods Limited as at 31st March 2019
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		
		Sarveshwar Overseas Limited	Himalayan Bio Organic Foods Private Limited	Natural Global Foods DMCC
1.	Name of the subsidiary			
2.	Date since when subsidiary was acquired	28/04/2015	22/06/2017	07/12/2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A	N/A	N/A
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A	N/A	AED
5.	Share capital:			
	Equity Share Capital	1500.00	280.23	56.67
	Preference Share Capital	2200.00	NIL	NIL
6.	Reserves & Surplus	573.75	1662.74	649.62
7.	Total assets	19979.42	3578.34	1971.91
8.	Total Liabilities	19979.42	3578.34	1971.91
9.	Investments	NIL	NIL	NIL
10.	Turnover	24351.64	5953.90	5279.79
11.	Profit before taxation	230.44	395.85	426.86
12.	Provision for taxation	49.20	109.34	NIL
13.	Profit after taxation	181.24	286.51	426.86
14.	Proposed Dividend	NIL	NIL	NIL
15.	% of shareholding	99.00%	100.00%	100.00%

**AED: Exchange Rate as on 31/03/2018 is Rs. 18.89/- per AED for Balance Sheet
**AED: Exchange Rate as on 31/03/2018 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 2017-18**

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 2018-19 and that to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee,

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**

Manoj Chopra
Chief Financial Officer

Dated: 26/08/2019
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, 2019, your Company's Board has a strength of 7 (Seven) Directors including 1 (One) Women Director and one (1) Honorary Chairman. The composition of the Board is given below:

Category	Number of Directors	% to Total No. of Directors
Executive Directors (Including Woman Director)	3	42.86
Independent Non-Executive Directors	4	57.14

As per Regulation 17(b) of the SEBI Listing Regulations, where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors. Further, at present there are 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 May 11, 2017, had appointed Mr. Adarsh Kumar Gupta (DIN:08135776) as an Independent Director under the category Independent Non-Executive and the members of the Company in their General Meeting held on September 25, 2018.

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, Dr. Gayatri Tandon, 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 Dr. Gayatri Tandon, 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 2018-19:

Brief Information about Directors		Attendance Record during financial year 2018-19			Directorship/Membership/ Chairmanship as on March 31, 2019		
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, 2019	Number of Committee Positions held in all Companies* as on March 31, 2019	
		Held	Attended			Chairman	Member
Executive Directors:							
Mr. Rohit Gupta	02715232	08	08	Yes	03	Nil	Nil
Mr. Anil Kumar	07417538	08	08	Yes	03	Nil	04
Dr. Gayatri Tandon	07417422	08	08	Yes	02	Nil	Nil
Independent Non-Executive Director:							
Mr. Thyagarajan Kumaran	07465316	08	01	No	01	02	Nil
Dr. Tej Partap	07818713	08	06	Yes	Nil	Nil	04
Mr. Jagdish Lal Sharma	07874555	08	08	Yes	01	03	02
Mr. Adrash Kumar Gupta	08135776	06	06	No	Nil	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.

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

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

J. ROLES AND RESPONSIBILITIES OF THE BOARD:

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

Disclosure of Information:

- Members of Board of Directors and key managerial personnel shall disclose to the Board of Directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

Key functions of the Board:

- The Board reviews and guides Corporate Strategy, Major Plans of Action, Risk Policy, Annual Budgets and Business Plans; Setting Performance Objectives; Monitoring Implementation and Corporate Performance; and Overseeing Major Capital Expenditures.
- Board monitors the effectiveness of the Company's governance practices and making changes as needed.
- Selects, Compensates, Monitors and, when

- necessary, replaces key executives and overseeing succession planning.
- Ensures a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitors and manages potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensures the integrity of the Company's Accounting and Financial Reporting Systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant standards.
- Oversees the process of disclosure and communications.
- Monitors and reviews Board Evaluation Framework.
- Aligned key managerial personnel and remuneration of Board of Directors with the longer term interests of the company and its shareholders.
- Company has well established committees of the Board of Directors, and their mandate, composition and working procedures have been well defined and disclosed by the Board of Directors.

Other responsibilities:

- The Board provides the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- The Board sets corporate culture and the values by which executives throughout a group will behave.
- Board members acts on a fully informed basis, in good faith, with Due Diligence and Care, and in the best interest of the Company and the shareholders.
- The Board encourages continuing directors training to ensure that the Board members are kept up to date.
- Where Board decisions affect different shareholder groups differently, the Board treats all shareholders fairly.
- The Board applies high ethical standards. It takes into account the interests of stakeholders.

- The Board is able to exercise objective Independent Judgement on Corporate Affairs.
- Board considers assigning a sufficient number of Non-Executive Board Members capable of exercising Independent Judgement to tasks where there is a potential for conflict of interest.
- The Board ensures that, while rightly encouraging positive thinking, these do not result in over optimism that either leads to significant risks not being 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, 2019 are given below:

Name	Number of Shares Held
Mr. Rohit Gupta	1,80,88,800
Mr. Anil Kumar	200
Dr. Gayatri Tandon	1600
Mr. Thyagarajan Kumaran	Nil
Dr. Tej Partap	Nil

Mr. Jagdish Lal Sharma	Nil
Mr. Adarsh Kumar Gupta	Nil

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

Dr. Gayatri Tandon, aged 43 years, is the Executive Director of your Company. She has been associated with the Company since September 01, 2012. She completed her MSC in the year 1999. She has over two decades of experience in farming and cultivation. She is leading projects such as Organic Basmati Production, certification of organic processing, transaction certificate generation, project promotion of organic farming in Himachal Pradesh etc are few of the areas which can be attributed as her contribution to your Company.

Disclosure of relationship between directors inter-se:

There is no inter-se relationship between the Directors and Dr. Gayatri Tandon.

Listed Entities (other than Sarveshwar Foods Limited) in which Dr. Gayatri Tandon holds directorship and membership in committees are as follows: Directorship:

1. Himpure Bioagri Products Private Limited
2. Sarveshwar Overseas 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: 1600 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. Thyagarajan Kumaran, Chairman;
- ii) Mr. Jagdish Lal Sharma, 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. Thyagarajan Kumaran, has more than thirty (30) years of experience in the banking sector and have considerable accounting & related financial expertise. The Statutory Auditors of the Company attend the meetings of the Committee on the invitation of the Chairman.

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

B. Terms of Reference

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

The scope of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and 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 2018-19, 4 (Four) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by members during the financial year 2018-19 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	26/05/2018	3	2	66.67
02.	24/08/2018	3	2	66.67
03.	14/11/2018	3	3	100
04.	14/03/2019	3	2	66.67

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. Thyagarajan Kumaran, Chairman;
- ii) Mr. Anil Sharma, Member;
- iii) Mr. Jagdish Lal Sharma, Member

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

B. Terms of Reference

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

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

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating this policy ensure that:
 - a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals and ensure that the policy is disclosed in the Board's report.
3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment

and removal and shall carry out evaluation of every director's performance;

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

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

C. Meetings and Attendance

During the financial year 2018-19, 2 (Two) meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by members during the financial year 2018-19 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	26/12/2018	3	3	100
02.	30/03/2018	3	2	66.67

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.

E. Remuneration of Directors

Details of Remuneration and Sitting Fees paid to the Directors during the Financial Year 2018-19 are as follows:

Name of Directors	Salaries	Perquisites	Sitting Fees*	Total
Mr. Rohit Gupta	Rs.3000000/-	-	-	Rs.3000000/-
Mr. Anil Kumar	Rs.655092/-	-	-	Rs.655092/-
Dr. Gayatri Tandon	Rs.827036/-	-	-	Rs.827036/-
Mr. Adarsh Kumar Gupta	-	-	Rs. 50000/-	Rs. 50000/-
Dr. Tej Partap	-	-	Rs. 25000/-	Rs. 25000/-
Mr. Jagdish Lal Sharma	-	-	Rs. 100000/-	Rs. 100000/-
Mr. Thyagarajan Kumaran	-	-	-	-

III) Stakeholders Relationship Committee:

A. Composition of the Committee

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

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

B. Terms of Reference

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

1. Resolving the grievances of the shareholders of our Company including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends;
2. Investor relations and redressal of grievances of security holders of our Company in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet, etc.;
3. Approve requests for security transfers and transmission and those pertaining to rematerialisation of securities /subdivision/ consolidation/ of shares, issue of renewed and duplicate share/debenture certificates, etc.; and
4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

There was one Stakeholders Relationship Committee Meeting held during the financial year 2018-19.

A. MEETINGS AND ATTENDANCE

During the financial year 2018-19, 1 (One) meetings of Stakeholder and Relationship Committee were held. Details of Stakeholder and Relationship Committee Meetings held and attended by members during the financial year 2018-19 are as

follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of Attendance
01.	26/12/2018	3	3	100

IV) Corporate Social Responsibility (CSR) Committee:

A. Composition of the Committee

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

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

B. Terms of Reference

The scope of the CSR Committee is set out below:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013;
2. To recommend the amount of expenditure to be incurred on the activities;
3. To monitor the CSR Policy of our Company from time to time;
4. To monitor the CSR activities undertaken by our Company, which shall be as per the CSR Policy, as projects or programs or activities undertaken in India (either new or ongoing), excluding activities undertaken in its normal course of business;
5. To provide a report on CSR activities to the Board of our Company;
6. To be responsible for the implementation and monitoring of CSR Policy, this shall be in compliance with CSR objectives and Policy of our Company; and
7. To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.

C. Meetings and Attendance

During the financial year 2018-19, 1 (One) meeting of CSR Committee was held. Details of CSR Committee Meeting held and attended by members during the financial year 2018-19 are as follows:

S No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
01.	20/06/2018	3	3	100

V) Risk Management Committee:

A. Composition of the Committee

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

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

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

B. Terms of Reference

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

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

1. To finalise risk assessment under the risk management framework;
2. To monitor and review risk management plan/framework as approved by the Board; and
3. To inform the Board in relation to the risk assessed and action required to be taken/ already taken for mitigating risks on quarterly basis. There was no Risk Management Committee Meeting held during the financial year 2018-19.

5. MATERIAL SUBSIDIARY COMPANIES:

Sarveshwar Foods Limited has one material subsidiaries i.e. Sarveshwar Overseas 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.sarveshwarrice.com.

6. DETAILS OF ANNUAL GENERAL MEETINGS: A. GENERAL BODY MEETING HELD DURING LAST 3 YEARS

Financial Year	General Meeting	Location	Date	Time
2017-18	14 th AGM	Raddison Blu Hotel, Raddison Square, Narwal Bala, Bypass Road, Jammu, Jammu & Kashmir- 180006	25 th September, 2018	03:00 PM.
2016-17	13 th AGM	Sarveshwar House below Gumat, Jammu, Jammu and Kashmir- 180001	30 th Day of September, 2017	11:00 A.M
2015-16	12 th AGM	Sarveshwar House below Gumat, Jammu, Jammu and Kashmir- 180001	30 th Day of September, 2016	11:00 A.M

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

Extra Ordinary General Meetings held during the financial year 2018-19:

No Extra Ordinary General Meeting was conducted during the Financial Year 2018-19.

B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

During the financial year 2018-19, No Special Resolution was passed through postal ballot.

7. DISCLOSURES:

A. MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms part of this report.

B. MATERIALY SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions as required by the Indian Accounting Standard Ind AS-24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) disclosed in Notes to the Annual Accounts. Members may refer to the notes to accounts for details of Related Party Transactions. However these are not having potential conflict with the interest of the Company at large.

The Company has formulated a Policy on Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of the Companies Act, 2013 read with the provisions of Regulation 23 of the SEBI Listing Regulations.

C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has followed prescribed Indian Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs in preparation of its financial statements. Kindly refer to Note No. 2 of the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.

D. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

There 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 2018-19.

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.sarveshwarrice.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 15th 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-IV 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.

9. GENERAL SHAREHOLDER INFORMATION ANNUAL GENERAL MEETING

Day, Date & Time	Friday September 27, 2019 11.00 A. M
Venue	Radisson Blu Hotel, Radisson Square , Narwal Bala, Bypass Road, Jammu, Jammu & Kashmir -180006 -India
Financial Calendar	The Financial year of the Company start from 1st April of a year and ends on March 31 of the following year.

Tentative Schedule for declaration of results during the financial year 2018-2019	
• 1st Half Year (September, 2018)	Third week of November, 2018
• 2 nd Half Year (March, 2019) and Audited : Financial Results for the year ended 31st March, 2019	Last week of May, 2019
Date of Book Closure	From Friday, 20th September, 2019 to Friday, 27 th September, 2019 (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 2018-2019 on National Stock Exchange of India Limited.

Month	National Stock Exchange of India Limited (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
March, 2019	70.75	19

11. REGISTRAR AND SHARE TRANSFER AGENT

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

12. SHARE TRANSFER SYSTEM

The Company's shares being in compulsory Demat list are transferable through the depository system. The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice and Registrar and Share Transfer Agent as required under Regulation 40 (9) and 7(3) of the Listing Regulations respectively and files a copy of the certificate with the Stock Exchanges on or before the due date.

For guidance on depository services, shareholders may write to the Company or to the respective depositories:

National Securities Depository Limited (NSDL)

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

Central Depository Services (India) Limited (CDSL)

Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013
Telephone: 022 – 22723333
Facsimile: 022 – 22723199
E-mail: info@cdslindia.com
Website: www.cdslindia.com

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. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the

14. SHAREHOLDING PATTERN AS ON 30th MARCH, 2019:

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	Promoter & Promoter Group :		
	(a) Individuals/Hindu Undivided Family	18099800	73.67
	(b) Bodies Corporate	-	-
	Sub Total	18099800	73.67
(B)	Public Shareholding		
	1. Institutions		
	(a) Mutual Funds	-	-
	(b) Alternate Investment Funds	9600	0.06
	(c) Financial Institutions/Banks	-	-
	(d) Foreign Institutional Investors	-	-
	2. Non-Institutions		
	(a) Individuals	4876525	19.84
	(b) Trust	-	-
	(c) Hindu Undivided Family	-	-
	(d) Non-Resident	497600	2.02
	(e) Clearing Members	84239	0.34
	(f) Bodies Corporate	999436	4.07
	Sub Total	24567200	100

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.	SUMPOORNA PORTFOLIO LIMITED	145600	0.59
08.	SAHIL GUPTA	126400	0.51
09.	G DAS CAPITAL MARKET S PRIVATE LIMITED	124800	0.51
10.	ASIT C. MEHTA INVESTMENT INTERMEDIATES LIMITED	48000	0.002

Company's shares are listed.

NOMINAL SHARE HOLDERS	NUMBER OF SHARE HOLDERS	PERCENTAGE OF SHARES %	SHARE AMOUNT (RS)	PERCENTAGE %
1-5000	1606	94.69%	28520820	11.61%
5001-10000	42	2.48%	3200000	1.30%
10001-20000	14	0.83%	2118000	0.86%
20001-30000	8	0.47%	1808000	0.74%
30001-40000	13	0.77%	4369180	1.78%
40001-50000	3	0.18%	1328000	0.54%
50001-100000	0	0.00%	0	0.00%
100000-999999999	10	0.59%	204328000	83.17%
Grand Total	1696	100.00%	245672000	100.00%

DECLARATION BY MANAGING DIRECTOR

I, **Rohit Gupta**, (DIN: 02715232) Managing Director of “Sarveshwar Foods Limited”, hereby declare that all the members of the Board of Directors have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2019.

*By Order of the Board
For Sarveshwar Foods Limited*

ROHIT GUPTA
MANAGING DIRECTOR
DIN: 02715232
Place: Jammu
Date: 26-08-2019

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, 2019 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, 2018 to 31st March 2019.

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: 03/08/2018

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SARVESHWAR FOODS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, 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.

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

Key Audit Matter	Auditor's Response & Principal Audit Procedure
Accounting for Inventory	<ul style="list-style-type: none"> • Testing of design and operating effectiveness of the internal control • Physical verification of inventory as on 31st March 2019. • Review the procedure followed by entity for ascertaining the obsolete inventory items. • Ensuring that appropriate authorization is taken for old and obsolete inventory written off. • Verification of finished goods valuation • Variance analysis of inventory • Substantive checking of purchases. • Verification of overhead calculation and allocation to Finished goods/semi finished goods inventory

Other information

The 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the

Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations on Company.
 - 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**

**Place: New Delhi
Date: May 29, 2019**

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)

- (l) (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) 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. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- (iii) The company has granted loan to its subsidiary company 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, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales-tax, Excise Duty, GST and Service Tax which have not been deposited as on March 31, 2019, 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 not availed any term loans during the year. The Company has not made an initial public offer during the year. Consequently, clause (ix) of the Order is not applicable to the Company.
- (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 Accounting Standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, requirement under clause (xiv) is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, requirement under clause (xv) is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Rajat Goyal
Partner
Membership No.: 503150
Place: New Delhi
Date: May 29, 2019

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, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting (the “Guidance Note”) issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajat Goyal
Partner
Membership No.: 503150

Place: New Delhi
Date: May 29, 2019

STANDALONE FINANCIALS

SARVESHWAR FOODS LIMITED Standalone Balance Sheet as at March 31' 2019

		(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,456.72	2,456.72
Reserves and surplus	4	9,004.45	8,191.23
		11,461.17	10,647.95
Non current liabilities			
Long term borrowings	5	8.00	10.50
Deferred Tax Liabilities	6	-	-
		8.00	10.50
Current liabilities			
Short term borrowings	7	8,620.69	6,018.44
Trade payables	8	3,480.93	2,602.70
Other current liabilities	9	332.55	210.06
Short term provisions	10	91.17	43.72
		12,525.35	8,874.91
		23,994.51	19,533.36
Assets			
Non current assets			
Fixed assets	11	448.55	455.53
Non current investments	12	3,056.91	1,498.71
Long term loans and advances	13	1,837.91	-
		5,343.37	1,954.24
Deferred Tax Assets (Net)	6	16.87	10.62
Current assets			
Inventories	14	14,088.05	12,312.49
Trade receivables	15	3,829.43	1,102.18
Cash and bank balances	16	12.57	1,617.30
Other Current assets	17	704.22	2,536.53
		18,634.27	17,568.50
		23,994.51	19,533.36

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
Place: New Delhi
Date: May 29, 2019

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: May 29, 2019

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: May 29, 2019

Manoj Chopra
Chief Financial Officer
Place: Jammu
Date: Date: May 29, 2019

Ishrat Gill
Company Secretary
Place: Jammu
Date: Date: May 29, 2019

STANDALONE FINANCIALS

SARVESHWAR FOODS LIMITED Standalone Statement of Profit and Loss for the year ended March 31, 2019

	Notes	(in ₹ Lacs) For the year ended 31-Mar-2019	(in ₹ Lacs) For the year ended 31-Mar-2018
INCOME			
Revenue from operations	18	23,035.08	21,673.70
Other income	19	230.97	57.26
		23,266.05	21,730.96
EXPENDITURE			
Raw material consumed	20	13,685.50	13,291.35
Purchase of traded goods	21	9,550.84	10,996.04
Increase / (Decrease) in inventories of semi finished and Finished goods	22	(3,151.51)	(6,005.65)
Employee benefits expenses	23	196.44	205.97
Depreciation expenses	11	80.46	90.69
Finance cost	24	470.57	636.35
Other expenses	25	1,144.85	1,055.29
		21,977.16	20,270.03
Profit before tax		1,288.89	1,460.93
(a) Current Tax		377.81	398.72
(b) Deferred Tax		(6.25)	6.68
Profit for the year		917.33	1,055.54
Earnings per equity share (Basic and diluted)	26	3.73	5.74
		3.73	5.74

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
Place: New Delhi
Date: May 29, 2019

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: May 29, 2019

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: May 29, 2019

Manoj Chopra
Chief Financial Officer
Place: Jammu
Date: Date: May 29, 2019

Ishrat Gill
Company Secretary
Place: Jammu
Date: Date: May 29, 2019

STANDALONE FINANCIALS

SARVESHWAR FOODS LIMITED

Standalone Statement of Cash Flows for the year ended March 31, 2019

	(in ₹ Lacs) For the year ended 31-Mar-2019	(in ₹ Lacs) For the year ended 31-Mar-2018
Cash flow from operating activities		
Profit Before tax	1,288.89	1,460.93
Adjustments:		
Depreciation expenses	80.46	90.69
Profit on sale of fixed assets	-	(2.07)
Interest income	(58.62)	(0.11)
Unrealized foreign exchange gain	(79.50)	(8.05)
Interest on loan	423.38	631.94
Other adjustments	(104.11)	(0.36)
Operating profit before working capital changes	1,550.50	2,172.97
Movements in working capital :		
Increase / (Decrease) in current liabilities	122.49	(28.26)
Increase / (Decrease) in trade Payable	878.24	(559.04)
Decrease/(Increase) in trade receivables	(2,647.75)	2,826.11
Decrease/(Increase) in Inventory	(1,775.56)	(3,121.11)
Decrease/(Increase) in long term loans and advances	(1,837.91)	-
Decrease/ (Increase) in other current assets	1,832.31	(2,109.55)
Net cash flow (used in) operations	(1,877.68)	(818.88)
Less: Direct taxes paid net of advance taxes	(330.36)	(514.13)
Net cash flow used in operating activities (A)	(2,208.04)	(1,333.01)
Cash flows from investing activities		
Decrease/ (Increase) in non current investments	(1,558.21)	(13.71)
Purchase of fixed assets	(73.47)	(29.99)
Sale of Fixed Assets	-	10.65
Interest received	58.62	0.11
Net cash flow used in from investing activities (B)	(1,573.06)	(32.94)
Cash flows from financing activities		
Proceeds from Share Issued (Net of IPO expenses)	-	4,994.34
Increase / (Decrease) in Borrowings	2,599.75	(1,397.01)
Interest paid on loan	(423.38)	(631.94)
Net cash flow generated from financing activities (C)	2,176.37	2,965.38
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,604.73)	1,599.44
Cash and cash equivalents at the beginning of the year	1,617.30	17.86
Cash and cash equivalents at the end of the year	12.57	1,617.30

Significant accounting policies Note 2

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: New Delhi

Date: May 29, 2019

Rohit Gupta

Managing Director

DIN:02715232

Place: Jammu

Date: May 29, 2019

Anil Sharma

Director

DIN:07417538

Place: Jammu

Date: May 29, 2019

Manoj Chopra

Chief Financial Officer

Place: Jammu

Date: Date: May 29, 2019

Ishrat Gill

Company Secretary

Place: Jammu

Date: Date: May 29, 2019

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. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.18 Impairment of assets

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

2.19 Provisions and contingencies

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

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

2.20 Insurance claims

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

2.21 Leases

a) Finance lease

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

b) Operating lease

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

2.22 Earning per share

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

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

Notes forming part of Financial Statements

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 3		
SHARE CAPITAL AUTHORISED		
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
ISSUED SUBSCRIBED AND FULLY PAID UP		
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
Total	2,456.72	2,456.72
A) Reconciliation of number of equity shares outstanding		
As at the beginning of the year	2,45,67,200	1,81,00,000
Add: Shares Issued during the year	-	64,67,200
Less: Bought back during the year	-	-
As at the end of the year	2,45,67,200	2,45,67,200
Share holders having 5% or more Shares		
Name Of Shareholders		
Rohit Gupta		
No. of shares	1,80,88,800	1,80,88,800
% of holding	73.63%	73.63%
Other Promoters Group		
No. of shares	11,200	11,200
% of holding	0.05%	0.05%
Other Public Holding		
No. of shares	64,67,200	64,67,200
% of holding	26.32%	26.32%
Total Number of shares	2,45,67,200	2,45,67,200
NOTE 4		
RESERVE AND SURPLUS		
General Reserve		
Opening Balance	52.78	-
Add: Transfer from Profit & Loss	-	52.78
	52.78	52.78
Share Premium		
Opening Balance	4,347.62	4,850.40
Less: IPO Expenses	-	(502.78)
	4,347.62	4,347.62
Profit & Loss A/c		
Opening Balance	3,790.83	2,788.43
Add: Profit for the Year	917.33	1,055.54
Less: Transfer to General Reserve	-	(52.78)
Less: Prior Period Items (Income Tax)	(104.11)	(0.36)
	4,604.05	3,790.83
Total	9,004.45	8,191.23

Notes forming part of Financial Statements

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 5		
LONG TERM BORROWINGS		
Secured Loan		
Term Loan from Banks	15.95	20.06
Less: Payable within 12 months	(7.95)	(9.56)
Total	<u>8.00</u>	<u>10.50</u>
NOTE 6		
DEFERRED TAX LIABILITES / (ASSETS)		
WDV of fixed assets as per Income Tax (A)	509.78	494.16
WDV of fixed assets as per Companies Act (B)	448.55	455.53
Timing Difference on Account of Fixed Assets (A-B)	61.23	38.62
Deferred Tax Asset	16.87	10.62
Deferred Tax liability	-	-
Total	<u>(16.87)</u>	<u>(10.62)</u>
NOTE 7		
SHORT TERM BORROWINGS		
Secured		
Cash Credit	7,650.73	5,545.38
Others	969.96	473.06
Total	<u>8,620.69</u>	<u>6,018.44</u>
NOTE 8		
TRADE PAYABLES		
Due to MSME	-	-
Sundry Creditors for Trade	3,480.93	2,602.70
Total	<u>3,480.93</u>	<u>2,602.70</u>
NOTE 9		
OTHER CURRENT LIABILITIES		
Statutory Dues	10.42	31.85
Loan From Banks Repayable in one year	7.95	9.56
Expenses payable	12.32	60.14
Other current liabilities	80.42	103.70
Advance received from customers	221.44	4.80
Total	<u>332.55</u>	<u>210.06</u>
NOTE 10		
SHORT TERM PROVISIONS		
Provision for Taxation	91.17	43.72
(Net of advance tax and TDS of Rs.2,81,09,560/-)		
Total	<u>91.17</u>	<u>43.72</u>

Notes forming part of Financial Statements

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 12		
NON CURRENT INVESTMENTS		
Investment in Shares of Himalayan Bio Organic Foods Private Limited	1,505.00	5.00
Investment in Shares of Sarveshwar Overseas Ltd.,	1,485.00	1,485.00
Investment in Shares of Natural Global Foods DMCC	66.91	8.71
Total	3,056.91	1,498.71
NOTE 13		
LONG TERM LOANS AND ADVANCES		
Unsecured Loans & Advances to related parties	1,837.91	-
Total	1,837.91	-
NOTE 14		
INVENTORIES		
(Stock of Traded Goods have been Valued at lower of Cost and NRV)		
Finished Goods - Trading	8,505.35	7,020.55
Finished Goods - Manufacturing	4,277.46	2,610.74
Raw Material	1,305.24	2,681.19
Total	14,088.05	12,312.49
NOTE 15		
TRADE RECEIVABLES		
Over Six Months		
Unsecured Considered Good	283.48	504.62
Others		
Unsecured Considered Good	3,545.95	597.56
Total	3,829.43	1,102.18
NOTE 16		
CASH AND BANK BALANCES		
Cash on Hand	9.72	13.71
Balance with Banks	2.85	1,603.59
Margin Money	45.53	44.93
Less: Redeemable in 3-12 Months	(45.53)	(44.93)
Total	12.57	1,617.30

Notes forming part of Financial Statements

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 17		
OTHER CURRENT ASSETS		
Loans & Advances	1.42	16.05
Security Deposits	51.92	38.95
GST Receivable	131.03	85.72
Prepaid Expenses	11.57	7.62
Interest receivable	2.53	5.99
Margin Money Redeemable in 3-12 Months	45.53	44.93
TDS Receivable (Previous Years)	-	0.04
Advance given to Related Party	-	2,121.86
Advance given to Vendors	460.22	215.38
Total	704.22	2,536.53
NOTE 18		
REVENUE FROM OPERATIONS		
Sale of products	23,035.08	21,673.70
Total	23,035.08	21,673.70
NOTE 19		
OTHER INCOME		
Foreign Exchange Fluctuations	79.50	8.05
Discount Received	8.47	9.15
Duty Drawback/GST Refund	-	0.85
Interest on FDR	58.62	0.11
Job Work	54.78	-
Shortage /Excess	9.34	13.85
Miscellaneous income	6.88	15.86
Insurance Claim	1.31	0.01
Unclaimed Liability	-	7.31
Profit on Sale of Asset	-	2.07
Vat Remission	12.08	-
Total	230.97	57.26
NOTE 20		
RAW MATERIAL CONSUMED		
Opening Stock	2,681.19	5,565.74
Add: Purchases	11,943.54	10,097.03
Add: Freight Inward	28.62	33.06
Add: Packing Material Purchase	337.40	276.72
Less : Closing Stock	(1,305.24)	(2,681.19)
Total	13,685.50	13,291.35

Notes forming part of Financial Statements

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 21		
PURCHASE OF TRADED GOODS		
Purchase of traded goods	9,550.84	10,996.04
Total	<u>9,550.84</u>	<u>10,996.04</u>
NOTE 22		
INCREASE / (DECREASE) IN INVENTORIES OF SEMI FINISHED AND FINISHED GOODS		
Opening Stock of Finished Goods	9,631.30	3,625.64
Closing Stock of Finished Goods	<u>12,782.80</u>	<u>9,631.30</u>
Increase/(Decrease) in Finished Goods	(3,151.51)	(6,005.65)
Total	<u>(3,151.51)</u>	<u>(6,005.65)</u>
NOTE 23		
EMPLOYEE BENEFIT EXPENSES		
Salaries	139.88	145.95
Directors Remuneration	44.82	43.74
Employer Contribution to PF	5.78	6.15
Staff Welfare	5.97	10.14
Total	<u>196.44</u>	<u>205.97</u>
NOTE 24		
FINANCE COST		
Bank Interest	423.38	631.94
Bank Charges	19.70	4.40
Other borrowing costs	27.50	-
Total	<u>470.57</u>	<u>636.35</u>

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 25		
OTHER EXPENSES		
Manufacturing Expenses		
Consumables	10.04	5.89
Electricity Charges	44.18	24.27
Fumigation expense	0.21	-
Job Work	2.74	15.23
Pest control service charges	17.27	4.74
Repair & Maintenance	35.83	14.32
Toll Tax	0.77	1.48
Wages & Labour Charges	187.76	174.04
Selling, Distribution & Administration Expenses		
Business Promotion	27.93	30.04
Advertisement Expenses	3.26	4.11
Audit fee #	3.25	2.25
Brokerage & Commission	20.83	11.07
Business Promotion & Marketing	41.36	43.56
Clearing & Handling Charges	48.08	64.28
Communication Charges	10.34	8.88
Conveyance & Travelling	72.88	57.62
CSR Expenses	17.45	2.78
Freight & transportation on Sales	180.11	205.89
Insurance	21.33	15.45
Expenses GST	-	85.93
Agricultural Development Expenses	-	1.57
Misc Expenses	54.32	49.27
Printing & Stationery	6.93	5.83
Prior Period Expense	10.10	30.26
Professional Fees	101.70	32.41
Rent, Rates & Taxes	204.36	135.31
Repair & Maintenance	21.84	28.83
Total	1,144.85	1,055.29

Audit fee includes fee for statutory audit Rs. 2.75 lacs (PY: Rs. 1.75 Lacs) and fee for tax audit Rs. 0.50 Lacs (PY. Rs. 0.50 Lacs)

NOTE 26**EARNING PER SHARE**

a) Profit for the year (in Rs Lacs)	917.33	1,055.54
No of Shares at beginning	2,45,67,200	1,81,00,000
No of Shares at end	2,45,67,200	2,45,67,200
b) Weighted average no. of equity shares outstanding	2,45,67,200	1,84,01,212
c) Earning per share on profit for the year		
Basic (in Rs)	3.73	5.74
Diluted (in Rs)	3.73	5.74

Depreciation Chart for the Year ending on 31-03-2019
(As per Companies Act 2013)

	Land	Building	Plant & Machinery	Office Equipments	Furniture & Fixture	Vehicles	Computer	Software's	Total
11 Fixed Assets	(in ₹ Lacs)								
Gross block									
WDV As at April 1, 2017	14.07	268.99	154.32	16.86	3.82	53.63	3.22	-	514.91
Additions	-	12.78	12.79	1.91	6.26	4.08	3.33	-	41.14
Disposals/transfer	-	-	7.13	0.29	2.41	-	-	-	9.83
At March 31, 2018	14.07	281.77	159.98	18.48	7.67	57.71	6.55	-	546.22
Additions	-	0.55	32.31	3.50	3.85	8.73	12.43	12.11	73.47
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2019	14.07	282.32	192.29	21.98	11.52	66.44	18.98	12.11	619.70
Depreciation									
Charge for the year	-	19.76	36.02	7.36	2.57	20.54	4.63	-	90.88
Disposals/transfer	-	-	0.12	0.01	0.06	-	-	-	0.19
At March 31, 2018	-	19.76	35.90	7.35	2.51	20.54	4.63	-	90.69
Charge for the year	-	18.45	31.70	5.60	2.66	17.34	4.70	-	80.46
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2019	-	38.21	67.61	12.95	5.17	37.88	9.33	-	171.15
Net block									
At March 31, 2018	14.07	262.01	124.07	11.13	5.17	37.17	1.92	-	455.53
At March 31, 2019	14.07	244.11	124.68	9.02	6.35	28.56	9.65	12.11	448.55

Notes forming part of Financial Statements

SARVESHWAR FOODS LIMITED

Notes to Accounts as on March 31' 2019

27 **Related party disclosures:**
Nature and name of related parties
Holding Company
Key Management Person

NIL
 Rohit Gupta (Managing Director)

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:

(in ₹ Lacs)

Name of related party	Nature of transaction	Transaction during the year	
		2019	2018
Rohit Gupta	Rent	72.00	72.00
Rohit Gupta	Salary	30.00	30.00
Sarveshwar Logistics	Freight	36.00	62.76
Suraj Prakash Gupta	Rent	12.00	12.00
Radha Rani	Rent	30.00	30.00
Himalayan Bio Organic Foods P Ltd	Purchases	293.97	668.08
Himalayan Bio Organic Foods P Ltd	Sales	47.13	2,553.00
Sarveshwar International	Sales	20.00	164.95
Sarveshwar International	Purchases	140.97	-
Sarveshwar Overseas Ltd	Purchases	99.84	1,078.52
Sarveshwar Overseas Ltd	Sales	1,351.63	-
Radhika Overseas	Purchases	378.10	-
Pooja Gupta	Rent	24.00	3.00

Notes forming part of Financial Statements

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

Particulars	(in ₹ Lacs)	
	2019	2018
Expenditure		
Trade fair	-	4.71
Professional fee	1.93	0.41
Registration Fee	-	2.78
Commission on Exports	-	5.16
Earnings		
Sale of finished goods	3,396.07	2,692.16

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

31 Gratuity plan

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

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

Particulars	2019	2018
Monthly rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal rate	1% to 3% Depending on Age	1% to 3% Depending on Age
Discount rate	7.5	7.5
Future Salary Increase	7	7

Results of Valuation

Particulars	2019	2018
PV of Past Service Benefit	10,46,295.00	15,56,350.00
Current Service Cost	1,27,245.00	1,75,805.00
Total Service Gratuity	63,31,776.00	67,59,135.00
Accrued Gratuity	13,67,258.00	17,69,390.00
LCSA	41,18,559.00	37,58,796.00
LC Premium	1,49,086.00	10,875.00
Accrued Liability	1,49,086.00	1,958.00

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

Notes forming part of Financial Statements

32 Details of secured short term borrowings
as on March 31, 2019

Name of the lenders	Facility Type	Interest rate	Loan Currency	Sanctioned Amount in Lakhs	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	7,460.53	Various Immovable Properties and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	6M LIBOR/ EURIBOR+ 400bps p.a	USD		Renewal Done Every Year	7.32	Various Immovable Properties and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	6M LIBOR/ EURIBOR+ 200bps p.a	USD		Renewal Done Every Year	164.86	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	17.98	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 04	SUB Limit CC	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	600.00	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 05	SUB Limit CC	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	370.00	Various Immovable Properties and Stocks & Debtors
Total					10,500.00		8,620.69

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
Place: New Delhi
Date: May 29, 2019

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: May 29, 2019

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: May 29, 2019

Manoj Chopra
Chief Financial Officer
Place: Jammu
Date: Date: May 29, 2019

Ishrat Gill
Company Secretary
Place: Jammu
Date: Date: May 29, 2019

**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, 2019, 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 consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in

the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor's Response & Principal Audit Procedure
Accounting for Inventory	<ul style="list-style-type: none"> • Testing of design and operating effectiveness of the internal control • Physical verification of inventory as on 31st March 2019. • Review the procedure followed by entity for ascertaining the obsolete inventory items. • Ensuring that appropriate authorization is taken for old and obsolete inventory written off. • Verification of finished goods valuation • Variance analysis of inventory • Substantive checking of purchases. • Verification of overhead calculation and allocation to Finished goods/semi finished goods inventory

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

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

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

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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 consolidated 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 the 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 the financial statements 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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 statements of one subsidiary whose financial statements reflect total asset of Rs. 19.72 crores as at March 31, 2019, total revenue of Rs. 52.79 crores and net profit after tax of Rs. 4.27 crores, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- 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 relevant books of account maintained for the

purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 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. There are no pending litigations on Group.
 - ii. The Group 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

Place: New Delhi
Date: May 29, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED 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”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2019, we have audited the internal financial controls over financial reporting of **SARVESHWAR FOODS LIMITED** (hereinafter referred to as “Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance

Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on “the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

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

**Place: Delhi
Date: May 29, 2019**

SARVESHWAR FOODS LIMITED
Consolidated Balance Sheet as at March 31' 2019

	Note No.	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
Equity and liabilities			
Shareholders' funds			
Share capital			
-Equity Share Capital	3	2,456.72	2,456.72
-Preference Share Capital	3	2,200.00	2,200.00
Reserves and surplus	4	10,707.18	8,981.31
		15,363.90	13,638.03
Minority Interest		20.59	18.77
Non current liabilities			
Long term borrowings	5	101.45	101.88
Deferred Tax Liabilities	6	-	
		101.45	101.88
Current liabilities			
Short term borrowings	7	20,923.14	17,811.58
Trade payables	8	5,826.01	10,838.55
Other current liabilities	9	617.59	762.24
Short term provisions	10	135.17	118.03
		27,501.91	29,530.39
		42,987.84	43,289.07
Assets			
Non current assets			
Fixed assets	11	2,286.75	2,366.87
		2,286.75	2,366.87
Deferred Tax Assets (Net)	6	40.48	32.61
Current assets			
Inventories	12	29,661.73	27,988.91
Trade receivables	13	9,043.48	9,662.04
Cash and bank balances	14	56.95	1,648.54
Other Current assets	15	1,898.46	1,590.09
		40,660.61	40,889.58
		42,987.84	43,289.07

Significant accounting policies

2

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: New Delhi

Date: May 29, 2019

Rohit Gupta

Managing Director

DIN:02715232

Place: Jammu

Date: May 29, 2019

Anil Sharma

Director

DIN:07417538

Place: Jammu

Date: May 29, 2019

Manoj Chopra

Chief Financial Officer

Place: Jammu

Date: Date: May 29, 2019

Ishrat Gill

Company Secretary

Place: Jammu

Date: Date: May 29, 2019

SARVESHWAR FOODS LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Notes	(in ₹ Lacs) For the year ended 31-Mar-2019	(in ₹ Lacs) For the year ended 31-Mar-2018
INCOME		
Revenue from operations	56,648.08	48,073.60
Other income	364.39	114.14
	57,012.48	48,187.74
EXPENDITURE		
Raw material consumed	28,280.48	24,693.22
Purchase of traded goods	25,525.66	25,151.69
Increase / (Decrease) in inventories of semi finished and finished goods	(3,374.21)	(8,106.74)
Employee benefits expenses	418.85	348.87
Depreciation expenses	231.16	253.02
Finance cost	1,370.94	1,845.16
Other expenses	2,217.55	1,828.36
	54,670.43	46,013.58
Profit before tax	2,342.05	2,174.16
(a) Current Tax	537.97	523.99
(b) Deferred Tax	(7.86)	(2.38)
Profit for the year	1,811.94	1,652.55
Profit Attributable to:		
Minorities	1.81	1.84
Owners of the Company	1,810.13	1,650.70
	1,811.94	1,652.55
Earnings per equity share (Basic and diluted)	7.37	8.97
	7.37	8.97
Significant accounting policies	2	
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: New Delhi
Date: May 29, 2019

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: May 29, 2019

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: May 29, 2019

Manoj Chopra
Chief Financial Officer
Place: Jammu
Date: Date: May 29, 2019

Ishrat Gill
Company Secretary
Place: Jammu
Date: Date: May 29, 2019

SARVESHWAR FOODS LIMITED
Consolidated Statement of Cash Flows for the year ended March 31, 2019

	(in ₹ Lacs) For the year ended 31-Mar-2019	(in ₹ Lacs) For the year ended 31-Mar-2018
Cash flow from operating activities		
Profit Before tax	2,342.05	2,174.16
Adjustments:		
Depreciation expenses	231.16	253.02
Profit on sale of fixed assets	-	(2.07)
Interest income	(64.57)	(2.25)
Unrealized foreign exchange gain	(119.23)	(14.59)
Interest on loan	1,305.95	1,838.85
Foreign currency translation difference	0.95	(4.13)
Other adjustments	(85.21)	-
Operating profit before working capital changes	3,611.09	4,242.99
Movements in working capital :		
Increase / (Decrease) in current liabilities	(144.65)	(172.97)
Increase / (Decrease) in trade Payable	(5,012.54)	4,368.52
Decrease/(Increase) in trade receivables	737.80	(3,051.80)
Decrease/(Increase) in Inventory	(1,672.82)	(5,617.84)
Decrease/ (Increase) in other current assets	(308.37)	(631.90)
Net cash flow (used in) operations	(2,789.48)	(863.01)
Less: Direct taxes paid net of advance taxes	(520.83)	(590.76)
Net cash flow used in operating activities (A)	(3,310.31)	(1,453.76)
Cash flows from investing activities		
Purchase of fixed assets	(151.04)	(107.00)
Sale of Fixed Assets	-	11.71
Interest received	64.57	2.25
Net cash flow used in from investing activities (B)	(86.47)	(93.04)
Cash flows from financing activities		
Proceeds from Share Issued (Net of IPO expenses)	-	4,994.34
Increase / (Decrease) in Borrowings	3,111.13	15.99
Interest paid on loan	(1,305.95)	(1,838.85)
Net cash flow generated from financing activities (C)	1,805.19	3,171.48
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,591.59)	1,624.68
Cash and cash equivalents at the beginning of the year	1,648.54	23.86
Cash and cash equivalents at the end of the year	56.95	1,648.54

Significant accounting policies

Note 2

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: New Delhi
Date: May 29, 2019

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: May 29, 2019

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: May 29, 2019

Manoj Chopra
Chief Financial Officer
Place: Jammu
Date: Date: May 29, 2019

Ishrat Gill
Company Secretary
Place: Jammu
Date: Date: May 29, 2019

SARVESHWAR FOODS LIMITED

Consolidated Notes to Accounts as on March 31, 2019

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 Food 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 transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

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.

Consolidated Notes to Accounts as on March 31, 2019

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.

Consolidated Notes to Accounts as on March 31, 2019

2.15 Borrowing costs

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

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

2.16 Segment reporting

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

2.17 Taxes on income

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

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

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

2.18 Impairment of assets

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

Consolidated Notes to Accounts as on March 31, 2019

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.

Consolidated Notes to Accounts as on March 31, 2019

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 3		
SHARE CAPITAL AUTHORISED		
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
ISSUED SUBSCRIBED AND FULLY PAID UP		
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
Total	4,656.72	4,656.72
A) Reconciliation of number of equity shares outstanding		
As at the beginning of the year	2,45,67,200	1,81,00,000
Add: Shares Issued during the year	-	64,67,200
Less: Bought back during the year	-	-
As at the end of the year	2,45,67,200	2,45,67,200
Share holders having 5% or more Shares		
Name Of Shareholders		
Rohit Gupta		
No. of shares	1,80,88,800	1,80,88,800
% of holding	73.63%	73.63%
Other Promoters Group		
No. of shares	11,200	11,200
% of holding	0.05%	0.05%
Other Public Holding		
No. of shares	64,67,200	64,67,200
% of holding	26.32%	26.32%
Total Number of shares	2,45,67,200	2,45,67,200
B) Reconciliation of number of Preference shares outstanding		
As at the beginning of the year	2,20,000	2,20,000
Add: Shares Issued during the year	-	-
Less: Bought back during the year	-	-
As at the end of the year	2,20,000	2,20,000

Consolidated Notes to Accounts as on March 31, 2019

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
Share holders having 5% or more Shares		
Name Of Shareholders		
Rohit Gupta		
No. of shares	2,20,000	2,20,000
% of holding	100.00%	100.00%
Total Number of shares	2,20,000	2,20,000

**NOTE 4
RESERVE AND SURPLUS**

General Reserve

Opening Balance	52.78	
Add: Transfer from Profit & Loss	-	52.78
	<u>52.78</u>	<u>52.78</u>

Share Premium

Opening Balance	4,347.62	4,850.40
Less: IPO Expenses		(502.78)
	<u>4,347.62</u>	<u>4,347.62</u>

Foreign currency translation reserve

(3.18)	(4.13)
--------	--------

Profit & Loss A/c

Opening Balance	4,585.05	2,987.12
Add: Profit for the Year	1,810.13	1,650.70
Less: Transfer to General Reserve		(52.78)
Less: Prior Period Items (Income Tax)	(85.21)	-
	<u>6,309.96</u>	<u>4,585.05</u>

Total

<u>10,707.18</u>	<u>8,981.31</u>
------------------	-----------------

**NOTE 5
LONG TERM BORROWINGS**

Secured Loan

Term Loan from Banks	20.64	277.20
Less: Payable within 12 months	(10.57)	(266.71)

Unsecured Loans from Directors

91.38	91.38
-------	-------

Total

<u>101.45</u>	<u>101.88</u>
---------------	---------------

Consolidated Notes to Accounts as on March 31, 2019

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 6		
DEFERRED TAX LIABILITES / (ASSETS)		
WDV of fixed assets as per Income Tax (A)	2,433.66	2,485.31
WDV of fixed assets as per Companies Act (B)	2,286.75	2,366.87
Timing Difference on Account of Fixed Assets (A-B)	146.91	118.44
Deferred Tax Asset	40.48	32.80
Deferred Tax liability	-	0.19
Total	(40.48)	(32.61)
NOTE 7		
SHORT TERM BORROWINGS		
Secured		
Cash Credit	17,637.98	15,213.12
Others	3,285.17	2,598.45
Total	20,923.14	17,811.58
NOTE 8		
TRADE PAYABLES		
Due to MSME		
Sundry Creditors for Trade	5,826.01	10,838.55
Total	5,826.01	10,838.55
NOTE 9		
OTHER CURRENT LIABILITIES		
Statutory Dues	22.22	55.83
Loan From Banks Repayable in one year	10.57	266.71
Expenses payable	74.90	160.15
Other current liabilities	80.42	108.65
Dividend on Preference Shares	100.98	100.98
Dividend distribution tax on dividend	18.18	18.18
Advance received from related Parties	2.18	-
Advance received from customers	308.12	51.74
Total	617.59	762.24

Consolidated Notes to Accounts as on March 31, 2019

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 10		
SHORT TERM PROVISIONS		
Provision for Taxation (Net of advance tax and TDS of Rs.3,71,31,140/-)	135.17	118.03
Total	<u>135.17</u>	<u>118.03</u>
NOTE 12		
INVENTORIES		
(Stock of Traded Goods have been Valued at lower of Cost and NRV)		
Finished Goods - Trading	12,970.65	10,716.67
Finished Goods - Manufacturing	14,390.28	13,270.05
Raw Material	2,300.80	4,002.19
Total	<u>29,661.73</u>	<u>27,988.91</u>
NOTE 13		
TRADE RECEIVABLES		
Over Six Months		
Unsecured Considered Good	721.41	629.07
Others		
Unsecured Considered Good	8,322.07	9,032.97
Total	<u>9,043.48</u>	<u>9,662.04</u>
NOTE 14		
CASH AND BANK BALANCES		
Cash on Hand	28.24	24.17
Balance with Banks	28.71	1,624.38
Total	<u>56.95</u>	<u>1,648.54</u>
NOTE 15		
OTHER CURRENT ASSETS		
Loans & Advances	45.39	13.19
MAT Credit Entitlement	0.03	0.03
Security Deposits	59.71	76.39
GST Receivable	176.28	100.05
Prepaid Expenses	19.08	13.91
Interest receivable	6.39	5.99
Margin Money Redeemable in 3-12 Months	332.25	68.43
TDS Receivable (Previous Years)	-	0.04
Advance given to Related Party	-	142.83
Advance given to Vendors	1,259.34	1,169.22
Total	<u>1,898.46</u>	<u>1,590.09</u>

Consolidated Notes to Accounts as on March 31, 2019

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 16		
REVENUE FROM OPERATIONS		
Sale of products	56,648.08	48,073.60
Total	<u>56,648.08</u>	<u>48,073.60</u>
NOTE 17		
OTHER INCOME		
Foreign Exchange Fluctuations	119.23	14.59
Discount Received	24.90	30.19
Duty Drawback/GST Refund	103.82	0.85
Interest on FDR	64.57	2.25
Job Work	18.13	-
Shortage /Excess	9.34	13.85
Miscellaneous income	9.08	16.42
Insurance Claim	3.24	0.31
Unclaimed Liability	-	33.62
Profit on Sale of Asset	-	2.07
Vat Remission	12.08	-
Total	<u>364.39</u>	<u>114.14</u>
NOTE 18		
RAW MATERIAL CONSUMED		
Opening Stock	4,002.19	7,134.70
Add: Purchases	25,966.14	21,032.92
Add: Freight Inward	82.78	130.16
Add: Packing Material Purchase	530.17	397.63
Less : Closing Stock	(2,300.80)	(4,002.19)
Total	<u>28,280.48</u>	<u>24,693.22</u>
NOTE 19		
PURCHASE OF TRADED GOODS		
Purchase of traded goods	25,525.66	25,151.69
Total	<u>25,525.66</u>	<u>25,151.69</u>

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 20		
INCREASE / (DECREASE) IN INVENTORIES OF SEMI FINISHED AND FINISHED GOODS		
Opening Stock of Finished Goods	23,986.72	15,879.98
Closing Stock of Finished Goods	27,360.93	23,986.72
Increase/(Decrease) in Finished Goods	(3,374.21)	(8,106.74)
Total	(3,374.21)	(8,106.74)
NOTE 21		
EMPLOYEE BENEFIT EXPENSES		
Salaries	331.71	261.80
Directors Remuneration	62.82	61.74
Employer Contribution to PF	11.92	9.93
Staff Welfare	12.40	15.41
Total	418.85	348.87
NOTE 22		
FINANCE COST		
Bank Interest	1,255.12	1,838.85
Interest on unsecured loan	50.82	-
Bank Charges	28.41	6.31
Other borrowing cost	36.58	-
Total	1,370.94	1,845.16

Consolidated Notes to Accounts as on March 31, 2019

	(in ₹ Lacs) As at 31-Mar-2019	(in ₹ Lacs) As at 31-Mar-2018
NOTE 23		
OTHER EXPENSES		
Manufacturing Expenses		
Consumables	14.88	12.02
Electricity Charges	160.31	111.54
Fumigation expense	1.33	0.40
Inspection Charges	21.87	-
Job Work	2.74	37.95
Pest control service charges	24.99	12.74
Repair & Maintenance	93.29	86.13
Toll Tax	1.71	1.84
Wages & Labour Charges	466.14	385.14
Selling, Distribution & Administration Expenses		
Business Promotion	54.58	43.00
Advertisement Expenses	9.10	4.11
Audit fee & Expenses	7.05	6.27
Brokerage & Commission	57.58	37.79
Business Promotion & Marketing	70.17	47.79
Clearing & Handling Charges	96.61	76.05
Communication Charges	17.22	16.10
Conveyance & Travelling	105.37	67.07
CSR Expenses	17.87	2.91
Freight & transportation on Sales	359.69	340.86
Insurance	28.90	36.86
Expenses GST	-	85.93
Agricultural Development Expenses	-	1.57
Misc Expenses	126.15	102.64
Printing & Stationery	13.98	15.83
Prior Period Expense	10.10	30.26
Professional Fees	172.83	48.31
Rent, Rates & Taxes	253.13	171.31
Repair & Maintenance	29.94	45.94
Total	2,217.55	1,828.36

Audit fee includes fee for statutory audit Rs. 5.95 lacs (PY: Rs. 4.95 Lacs) and fee for tax audit Rs. 1.10 Lacs (PY. Rs. 1.10 Lacs)

NOTE 24

EARNING PER SHARE

a) Profit for the year (in Rs Lacs)	1,810.13	1,650.70
No of Shares at beginning	2,45,67,200	1,81,00,000
No of Shares at end	2,45,67,200	2,45,67,200
b) Weighted average no. of equity shares outstanding	2,45,67,200	1,84,01,212
c) Earning per share on profit for the year		
Basic (in Rs)	7.37	8.97
Diluted (in Rs)	7.37	8.97

Consolidated Notes to Accounts as on March 31, 2019

Depreciation Chart for the Year ending on 31-03-2019
(As per Companies Act 2013)

11 Fixed Assets

	Land	Building	Plant & Machinery	Office Equipments	Furniture & Fixture	Electrical Installation	Vehicles	Computer	Softwares	Total
	(in ₹ Lacs)									
Gross block										
As at April 1, 2017	912.35	856.26	619.69	55.00	8.06	-	56.16	5.10	-	2,512.63
Additions	-	27.68	48.87	8.37	19.95	1.61	4.08	6.53	-	117.09
Disposals/transfer	-	-	7.13	0.29	2.41	-	-	-	-	9.83
At March 31, 2018	912.35	883.95	661.44	63.08	25.59	1.61	60.24	11.63	-	2,619.89
Additions	-	0.55	40.77	7.49	52.76	2.17	16.30	18.90	12.11	151.04
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	912.35	884.50	702.21	70.57	78.35	3.78	76.53	30.53	12.11	2,770.93
Depreciation										
As at April 1, 2017	-	-	126.63	16.16	5.43	0.24	21.27	6.89	-	253.21
Charge for the year	-	-	0.12	0.01	0.06	-	-	-	-	0.19
Disposals/transfer	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	76.59	126.51	16.15	5.36	0.24	21.27	6.89	-	253.02
Charge for the year	-	70.27	106.92	16.40	8.27	0.70	19.78	8.83	-	231.16
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	-	146.87	233.43	32.55	13.63	0.94	41.05	15.72	-	484.18
Net block										
At March 31, 2018	912.35	807.35	534.93	46.93	20.23	1.38	38.97	4.74	-	2,366.87
At March 31, 2019	912.35	737.63	468.78	38.02	64.72	2.85	35.49	14.81	12.11	2,286.75

Consolidated Notes to Accounts as on March 31, 2019

SARVESHWAR FOODS LIMITED

Notes to Accounts as on March 31' 2019

25 Related party disclosures:

Nature and name of related parties

Holding Company

NIL

Key Management Person

Rohit Gupta (Managing Director)

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	
		2019	2018
Rohit Gupta	Rent	76.20	72.00
Rohit Gupta	Salary	48.00	48.00
Sarveshwar Logistics	Freight	51.50	80.14
Sarveshwar Logistics	Other Income	-	0.11
Suraj Prakash Gupta	Rent	12.00	12.00
Radha Rani Gupta	Rent	42.60	33.60
Sarveshwar International	Sales	47.78	230.83
Sarveshwar International	Purchases	707.22	-
Radhika Overseas	Sales	0.64	-
Radhika Overseas	Purchases	519.74	-
Pooja Gupta	Rent	24.00	3.00

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

(in ₹ Lacs)

Particulars	2019	2018
Expenditure		
Trade fair	-	4.71
Professional fee	2.08	0.41
Registration Fee	0.77	2.78
Commission on Exports	18.94	14.43
Earnings		
Sale of finished goods	5,477.42	3,653.91

27 Unhedged foreign currency exposures as at the balance sheet date

Particulars	2019				2018			
	in USD	in JPY	Exchange rate	in ₹ Lacs	in USD	in JPY	Exchange rate	in ₹
Trade Receivable	12,08,894	-	69.17	836.30	9,29,153	-	65.14	605.22

Consolidated Notes to Accounts as on March 31, 2019

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

	Sarveshwar Foods Limited	Sarveshwar Overseas Limited	Himalayan Bio Organic Foods Private Limited	Natural Global Food DMCC	Minority interest	Total
Particulars	Holding Company	Subsidiary	Subsidiary	Subsidiary		
Country of incorporation	India	India	India	Dubai		
Consolidated profit after tax - current 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 profit after tax - previous year	1,055.54	181.46	151.36	262.35	1.84	1,652.55
% of consolidated profit after tax	63.87%	10.98%	9.16%	15.88%	0.11%	
Consolidated net assets - current 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%	
Consolidated net assets - previous year	10,647.95	2,573.62	151.45	265.00	18.77	13,656.80
% of Consolidated net assets	77.97%	18.84%	1.11%	1.94%	0.14%	

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

30 **Gratuity plan**

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

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

Particulars	2019	2018
Monthly rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal rate	1% to 3% Depending on Age	1% to 3% Depending on Age
Discount rate	7.5	7.5
Future Salary Increase	7	7

Results of Valuation

Particulars	2019	2018
PV of Past Service Benefit	13,31,341.00	19,51,471.00
Current Service Cost	3,85,907.00	2,81,439.00
Total Service Gratuity	1,50,07,461.00	1,03,64,375.00
Accrued Gratuity	17,04,474.00	22,11,736.00
LCSA	1,24,00,153.00	69,21,690.00
LC Premium	3,93,808.00	18,593.00
Accrued Liability	3,93,808.00	3,347.00

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

Consolidated Notes to Accounts as on March 31, 2019

31 Details of secured short term borrowings
as on March 31, 2019

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	7,460.53	Various Immovable Properties and Stocks & Debtors
J&K Bank PCFC	SUB Limit CC	6M LIBOR/ EURIBOR +400bps p.a	USD		Renewal Done Every Year	7.32	Various Immovable Properties and Stocks & Debtors
J&K Bank PSFC	SUB Limit CC	6M LIBOR/ EURIBOR +200bps p.a	USD		Renewal Done Every Year	164.86	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	17.98	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 04	SUB Limit CC	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	600.00	Various Immovable Properties and Stocks & Debtors
PCL Limit A/c No. 05	SUB Limit CC	10% Less Subvention Benefit 5%	INR		Renewal Done Every Year	370.00	Various Immovable Properties and Stocks & Debtors
J&K Bank	CC	MCLR+ 0.5%	INR	10,500.00	Renewal Done Every Year	9,949.62	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	37.63	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	-	Various Immovable Properties and Stocks & Debtors
Allahabad Bank Stock Pledge-831	Pledge Limit	11.38%	INR	2,500.00	Renewal Done Every Year	2,315.20	Against pledged stock
				23,500.00		20,923.14	

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

As per our report of even date

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

For and behalf of the Board of Directors
SARVESHWAR FOODS
LIMITED

Rajat Goyal
Partner
Membership No. 503150
Place: New Delhi
Date: May 29, 2019

Rohit Gupta
Managing Director
DIN:02715232
Place: Jammu
Date: May 29, 2019

Anil Sharma
Director
DIN:07417538
Place: Jammu
Date: May 29, 2019

Manoj Chopra
Chief Financial Officer
Place: Jammu
Date: Date: May 29, 2019

Ishrat Gill
Company Secretary
Place: Jammu
Date: Date: May 29, 2019



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 **15th Annual General Meeting** of the Company being held on **Friday, 27th day of September, 2019** at **11:00 A.M.** at **Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir 180006, India.**

Signature of the Shareholder/Proxy/Authorized Representative: _____

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

ELECTRONIC VOTING PARTICULARS

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

EVEN (E-VOTING EVENT NUMBER)	User ID	Password
111937		



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

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 **Friday, 27th September, 2019 at 11.00 A.M. at Radisson Blu Hotel, Radisson Square, Narwal Bala, Bypass Road, Jammu, Jammu and Kashmir-180006, India** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1	Adoption of the Audited Balance Sheet as at 31 st of March, 2019 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 st March, 2019.		
	Re-appointment of Dr. Gayatri Tandon (DIN: 07417422), who retires by rotation and being eligible offers herself for re appointment.		
3	Ratification of appointment of M/s. K R A & Co, Chartered Accountants (FRN: 020266N) as Statutory Auditors of the company.		
4	Approval of Sarveshwar Foods Limited Employee Stock Option Scheme 2019 (SFL ESOS 2019) (DIN: 08135776) as an Independent Director of the Company		
5	Approval of Sarveshwar ESOS Trust for the eligible employees of the Company.		
6	Appointment of Mr. Surendar Singh Jasrotia as the Managing Director & Chief Executive Officer of the Company.		
7	Appointment of Dr. Uttar Kumar Padha as an Independent Director of the Company.		
8	Appointment of Mr. Anil Kumar as the Joint Managing Director of the Company.		

Signed thisDay of 2019

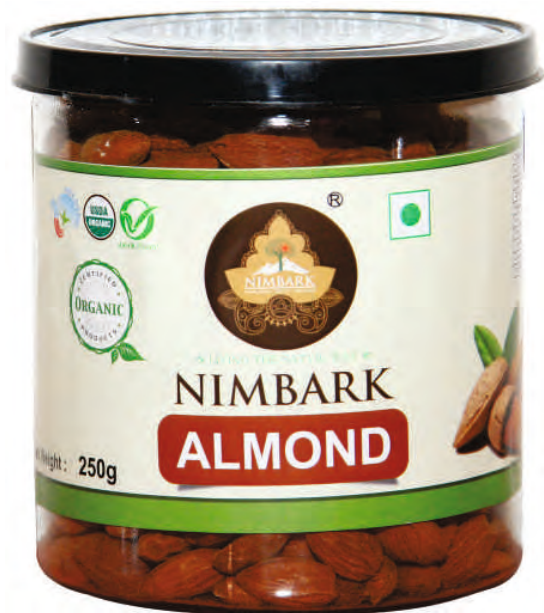
Affix a
Re.1/-
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put a "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "FOR or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





SARVESHWAR FOODS LIMITED

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