

TARAI FOODS LIMITED



Tarai

**32nd
ANNUAL REPORT
2021 - 2022**

TARAI FOODS LIMITED

Board of Directors

Mr. Gurprit Singh Sandhu
Mrs. Kiran Sandhu
Mr. Lilanshu Arora
Mrs. Mandeep Grewal
Mr. B.S. Johal
Mr. Satish Kumar

(Managing Director)
(Director)

Audit Committee, Nomination & Remuneration Committee Stakeholder Relationship Committee

Mrs. Kiran Sandhu
Mrs. Mandeep Grewal
Mr. Lilanshu Arora
Mr. Satish Kumar
Mr. B.S. Johal

Auditors

Sunil Vashisht & Co.
R-8, South Extension
Part-2, New Delhi-110049

Company Secretary

Mr. Vijay Kant Asija

Bankers

Axis Bank Ltd.
B-6, Lajpat Nagar-II,
New Delhi-110024

Regd. Office

13, Hanuman Road,
Connaught Place
New Delhi-110001
Tel. : 011-41018839

Head Office :

Village Fazilpur Meharola
Rudrapur
Distt. Udham Singh Nagar,
Uttarakhand

INDEX

| Contents..... | Page No. |
|--|----------|
| Directors Report..... | 1 |
| Report on Corporate Governance..... | 31 |
| Certificate of Statutory Auditors on Corporate Governance / CEO and CFO Compliance Certificate..... | 50-51 |
| Auditors Report..... | 52 |
| Accounting Policies..... | 63 |
| Balance Sheet..... | 71 |
| Statement of Profit & Loss..... | 72 |
| Statement of CE..... | 73 |
| Cash Flow Statement..... | 74 |
| Statement of Other Comprehensive Income..... | 75. |
| Note '1' to '26'..... | 76-83 |

Share Transfer Agent

**Beetal Financial & Computer Services (P) Ltd.
99, Madangir, Beetal House Behind
Local Shopping Centre Near Dada
Harsukhdas Mandir New Delhi-
110062**

Tel. :

29961281/2

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CIN No.

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tarafoods@gmail.com

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www.tarafoods.com

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 32nd Annual Report, together with the audited statement of accounts of the Company for the year ended 31st March, 2022.

1. Statement of Company Affairs:

a. Financial Results & Performance:

The performance of the Company for the financial year ended 31st March, 2022 is summarized below:

| Particulars | Financial Year ended 31st March, 2022 (Rs. In Lacs) | Financial Year ended 31st March, 2021 (Rs. In Lacs) |
|--|---|---|
| Gross Revenue | 281.8 | 294.6 |
| Less: Total Expenditure | (319.3) | (317.5) |
| Profit/(Loss) before Exceptional/ Extraordinary Items and Tax | (37.5) | (22.9) |
| -Exceptional Items | 7 | .08 |
| -Extraordinary Items | 0.0 | 0.0 |
| Profit/(Loss) before tax | (44.5) | (23.7) |
| Tax Expenses | - | - |
| Profit/(Loss) for the period | (44.5) | (23.7) |
| Other Comprehensive Income | 1.6 | 2.1 |
| Total Comprehensive Income for the Period | (43) | (21.6) |

The Company was in its 32nd year of operations. During the year under review, the Gross revenue reduced to Rs. 281.8 Lacs as compared to Rs. 294.6 Lacs in the previous year. Further, the Company incurred a loss of Rs. 44.5 Lacs as compared to a loss of Rs. 23.7 Lacs during the Previous Year. The company focused its attention only on production and sale of fresh Mushrooms and the directors are hopeful of better performance in the next year.

Transfer to Reserves:

The company has not transferred any amount to General Reserve of the Company during the financial year under review.

Dividend:

Due to the losses incurred by the Company, no dividend is recommended on the equity shares of the Company for the year ended 31st March, 2022.

Material changes and commitments affecting the financial position of the Company which have occurred between the end of Financial Year of the Company to which the Financial Statements relate and the date of the report:

There were no material changes affecting the Financial Position of the company which occurred between the end of the financial year till the date of the board report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT, REVIEW OF OPERATIONS DURING THE YEAR & FUTURE PLANS

(i) Industry structure and developments.

The global frozen foods market is in a state of moderate, yet constant expansion. Frozen foods are high on the convenience quotient, and hence the adoption of frozen foods will continue to be observed in areas where urbanization is gathering pace. The market research report on the global frozen food market takes a granular look at the many influencing factors that are steering the growth. The report is a result of qualitative and quantitative research techniques that aim to drill down to the exact factors that are- driving growth and creating new opportunities for growth.

Mushroom farming is practiced in more than 100 countries and its production is increasing at an annual rate of 6-7% presently. World production of mushroom is over 25 million tons as per claims of Chinese Association of edible mushrooms. Indoor cultivation of mushrooms utilizes the vertical space and is regarded as the highest protein producer per unit area and time – almost 100 times more than the conventional agriculture and animal husbandry. This high tech horticulture venture has a promising scope to meet the food shortages without undue pressure on land. In India, mushroom production shot up from near 38000 tons in 1997 to over 1,30,000 at present. India produces about 600 million tons of agricultural waste annually and a major part of it are left out to decompose naturally or burnt *in situ*. This can effectively be utilized to produce highly nutritive food unlike mushrooms and spent mushroom substrate can be converted into organic manure for field crops. Mushroom growing is highly labour oriented venture and two factors, i.e, availabilities of raw material and labour make mushroom growing economically profitable in India.

On the export front also, for the first time during 1994 India not only figured in the US imports but emerged as the 2nd largest exporter of the canned mushrooms replacing Taiwan. Now a few commercial mushroom units are exporting canned mushrooms to the Americans, European and other countries regularly.

(ii) Opportunities and Threats

Foods and vegetables - fast growing sector

Fruits and vegetables are one of the most important and fast growing sub-sectors of the food processing industry. Over the last few years, there has been a positive growth in ready-to-serve beverages, fruit juices and pulps, dehydrated and frozen fruits and vegetable products, tomato products, pickles, convenience veg spice pastes, processed mushrooms and curried vegetables. The demand has increased because of the factors like consumption by nuclear families, working women, students and single employees staying alone. There are abundant opportunities in expanding the export market because of good international demand for certain fruits and vegetable products. The Indian food processing industry is primarily export oriented. India's geographical situation gives it the unique advantage of connectivity to Europe, the Middle East, Japan, Singapore, Thailand, Malaysia and Korea.

Macro-economic as well as industry specific (FMCG and Packaged Food) indications point to enduring buoyancy in the domestic market, while the international geographies in which your Company operates are likely to be stable as well.

Changing demographics (young, higher disposable income, experimental, urbanization, willingness to spend) further fuelled by trends like a greater awareness of health and nutrition on one hand and more hedonism (especially the new 'affluent' generation) is rapidly enlarging the opportunity.

Frozen Finger Chips:

The market of processed potato products is growing at the rate of 15% to 20% per annum. The estimates of trade sources and sector studies indicate a market share of about 30% of potato based products in total 2400 crores snack food market.

Domestic Market:

The Frozen French fries market in India is in a nascent stage but is growing at a rate of about 25% per year. The percent organized market for frozen French- fries in India is estimated at over 3500 tons/annum, mostly contributed by imported French Fires. The estimated domestic production of French fries is about 500 MT.

Mushrooms:

Development trends of Mushroom industry is based on the increasing consumer consciousness and demand for nutritious quality and organic products in domestic and international market. Increasing interest in protection of environment from the industrial pollution and environment friendly progress in mushroom production and processing technologies resulting in tremendous growth in the productivity and production of mushrooms.

Strength:-

Mushrooms are grown seasonally as well as state-of-art environment controlled Crop room in the commercial units. It is highly labour oriented venture and labour availability is no constraint in the vicinity of **Tarai Foods** and two factors that is availabilities of raw materials

and labour make mushroom growing economically profitable in this region. Moreover, **Tarai Foods Ltd. Rudrapur** is located in the bowl of raw materials like Wheat Straw, Sugar cane Bagasse & Chicken Manure required for composting. Besides, the moderate climate of the Tarai region is well suited to mushroom production as temperature does not as high as other parts of the country.

Awareness about food and medicinal values of mushrooms increasing quantitative use of mushrooms in the country thus creating better market for a product like fresh and processed mushrooms. There is increasing market for value added products like pickles or soup powder of mushrooms.

Threats

- *Uncontrolled price structure*

When there is a glut in the market, the price of certain food items falls down considerably but as the demand increases or there is shortage of those food items in the market the price rises up with a vast variation. Thus there is always an uncertainty in market prices of most of the food items which reduces the amount of net profit and this discourages the manufacturers/ producers of these food items. This problem gets aggravated during peak production months, also because there is no minimum support price from the Govt.

- *High transportation charges:*

Although, agro and animal wastes are available in plenty in India but their availability are not evenly distributed. Due to diversified climate and topography of land, different kinds of crops are raised in different parts of the Country and production/ manufacture have to pay heavy transport charges. The hike in diesel/petrol prices from time to time aggravates this problem.

- *Competition: e.g. -Availability of canned Chinese mushroom at lower price.*
- Unorganized production and sale particularly by seasonal farmers resulting in glut in market during winter months. This results in price cut in the period.
- Lack of modern facilities to produce quality compost, casing material spawn and processed products. TFL is going to improve its facilities in this regard.

To address these risks, the Company has a single point source supplier of Frozen/IQF (Individually Quick Frozen products to the customers as per their requirements with high quality products at a lower cost. Though the competition is fierce, the goodwill and the quality of the products offered by the Company are great plus factors and the Company expects to overcome the competition. The Company had expanded its product line both horizontally as well as vertically.

(iii) Segment wise & Product-wise performance:

The Company operates in a single segment. The product wise performance is as under:

Processed Foods

- **Fresh Mushrooms**
- **Mushroom Spawn**
- **Compost for Mushroom**

**Product-wise performance
Sale of Finished Goods**

| Description | Current Year | | Previous Year | |
|-----------------------------|---------------|------------------------|---------------|------------------------|
| | Qty. (in MTs) | Value (in Rs. In lacs) | Qty. (in MTs) | Value (in Rs. In Lacs) |
| Fresh Mushrooms | 223.73 | 258.96 | 217.59 | 270.02 |
| <i>Mushroom Spawn</i> | 4.27 | 5.37 | 5.72 | 7.15 |
| <i>Compost for Mushroom</i> | 8.09 | 0.80 | 32.08 | 2.84 |
| | | | | |

The company has completely diversified in Mushroom growing under controlled conditions. It has been successful in creating capacities of 6.55 qntl. a day for Mushroom and is hopeful of expanding it to 1 ton a day in near future.

(iv) Outlook:

Food Processing Industry is of enormous significance for India's development because of the vital linkages and synergies that it promotes between the two pillars of the economy, namely Industry and Agriculture. The growth potential of this sector is enormous and it is expected that the food production will double in the next 5 years and the consumption of value added food products will also grow at a fast pace. This growth of the Food Processing Industry will be of immense benefits to the economy, raising agricultural yields, meeting productivity, creating employment and raising the standard of very large number of people throughout the Country, specially, in the rural areas. Economic liberalization and rising consumer prosperity is opening up new opportunities for diversification in food processing sector.

The nature of the Indian food processing market and the experiences of successful Indian and MNC players indicate that this sector will grow substantially in future because of the following reasons :

1. Effective distribution network and supply chain
2. Product range that is customized to suit local market requirements.
3. Superior processing technology
4. Brand building and marketing

Management is consistently keeping close watch on the changing market scenario and the business strategy is reviewed regularly for achieving a consistent growth by meeting the tough international competition successfully.

(v) Risks and concerns:

Every business has inherent risks involved in its operations, which may be either external or internal. The external factors are market competition, availability of cheaper substitute products, Government policies regarding power tariffs and ongoing political and economic changes in the importing Country. The Company may not have much control over such factors; however it is important to address these risks & concerns to mitigate their overall impact on the business. Formal risk assessment and Management approach along with the regular monitoring mechanism in the Company ensures that these risks are duly addressed and well managed. High focus on safety of plant, its premises and people continuity and proactive Management of related business environment are essential for the risk management in the overall supply chain and business in general.

(vi) Internal control systems and their adequacy.

The Company has an adequate system of internal controls to ensure that all activities are monitored and controlled as well as transactions are authorized, recorded and reported correctly. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines, which are supplemented by internal audit regularly.

The Audit Committee of the Board meets on a quarterly basis and reviews the internal control systems as well as financial statements.

(vii) Discussion on financial performance with respect to operational performance:

The Company has diversified its operations into Mushroom growing in artificially controlled temperature setting and offers a wide range of Frozen and IQF (Individually Quick Frozen) product range of peas, fruits/ vegetables as per the requirements of the customers, meeting strict quality & hygiene standards. Canned peas in various shapes and sizes are also available as per the customer requirement. The Company is a single point source of supplier of Frozen, IQF, products to the customers as per their requirements.

(viii) Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company lays due emphasis on sound Human Resource Management practices and appraisal systems with focus on cordial employee relations to ensure a higher level of productivity and operational efficiency. Adequate efforts have been made to strengthen and develop its human resources as a key strength through continuous training inputs and

focused development plan. As on 31st March 2022, the total numbers of permanent employees in the Company were 12.

The belief that 'great people create great organizations' has been at the core of the Company's approach to its people. We continued to make significant investments for training in the areas of marketing excellence, customer service and building capabilities for organized retail trade.

(ix) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor:

| Particular | FY 2021-22 | FY 2020-21 |
|-------------------------|------------|------------|
| Debt Equity Ratio | (150) | (210) |
| Asset Proprietary Ratio | (60) | (40) |

(x) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

The company settled its long terms dues in the previous financial year, financial costs related to such borrowings were written back to the extent they were unpaid, hence it amounted to a substantial increase in the income during the previous year and resultantly, there has been a substantial change in the Return on Net worth as compared to previous financial year.

(xi) COMPLIANCE WITH SECRETARIAL STANDARDS

The Company confirms compliance with the applicable requirements of Secretarial Standards 1 and 2 prescribed by the Institute of Company Secretaries of India (ICSI).

b. Key Changes during the year:

1. Changes in the Nature of business: NIL

2. Changes during the year in Directors and KMP:

- a. Mr. Ganesh Kumar (DIN: 07722602) and Mr. Ashwini Kumar Pandey resigned from Directorship of the Company w.e.f. 16th July, 2021.
- b. Mr. G. S. Sandhu was re-appointed as Whole Time Key Managerial Personnel in the Category of Managing Director of the Company w.e.f. 30th August, 2021.
- c. Mr. Bhupender Singh Johal (DIN: 01983665), Mr. Satish Kumar (DIN: 09360435) and Mrs. Mandeep Grewal (DIN: 03614401) were appointed as Additional Director of the Company in the capacity of Independent Director of the Company w.e.f. 08th December, 2021.

3. Changes in the Subsidiaries, Joint Venture and Associate Company: The Company did not make any subsidiaries, Joint Ventures and Associate Company during the financial year under review.

4. Details of Significant & material order passed by the regulators or Courts or Tribunal impacting the Going Concern status & Company's operation in future:

During the year under review, no significant or material order has been passed by the regulators, courts or tribunals impacting the going concern status and company's operation in future.

2. Directors:

The Board of Directors of the Company is duly constituted as at 31st March, 2022.

a. Composition and Meetings of the Board:

The Board Comprises of Mr. Lilanshu Arora (DIN: 07187329), Mrs. Kiran Sandhu (DIN: 00053879), Mr. Satish Kumar (DIN: 09360435), Mr. Bhupender Singh Johal (DIN: 01983665) and Mrs. Mandeep Grewal (DIN: 03614401) as at the end of the Financial Year. During the year under review, the Board met 5 (Five) times on 10.06.2021, 13.08.2021, 12.11.2021, 08.12.2021 and 14.02.2022, in respect of which meetings proper notices were given and the proceedings were properly recorded and the maximum time gap between 2 board meetings is as per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015. The details of the Composition of the Board and attendance of Directors in Board & General Meetings are given separately in the Corporate Governance report annexed separately. The Board has adopted all the recommendations of Audit Committee.

b. Composition and Meeting of Audit Committee:

The Audit Committee is duly constituted as at end of the financial year. The Audit Committee comprises of Mr. Lilanshu Arora (DIN: 07187329), Mrs. Kiran Sandhu (DIN: 00053879), Mr. Satish Kumar (DIN: 09360435), Mr. Bhupender Singh Johal (DIN: 01983665) and Mrs. Mandeep Grewal (DIN: 03614401) as the members of the Committee. The Audit Committee met Five (5) times on 10.06.2021, 13.08.2021, 12.11.2021, 08.12.2021 and 14.02.2022 during the financial year. The details of the attendance of the Members who attended the meetings and terms of reference etc are given separately in the Corporate Governance report annexed separately.

c. Composition and Meeting of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. Lilanshu Arora (DIN: 07187329), Mrs. Kiran Sandhu (DIN: 00053879), Mr. Satish Kumar (DIN: 09360435), Mr. Bhupender Singh Johal (DIN: 01983665) and Mrs. Mandeep Grewal (DIN: 03614401) as the

members of the Committee as at the end of the financial year. The Nomination and Remuneration Committee duly met Four (4) times on 10.06.2021, 13.08.2021, 08.12.2021 and 14.02.2022 during the financial year. The details of the attendance of the Members who attended the meetings and terms of reference etc are given separately in the Corporate Governance report annexed separately.

d. Composition and meeting of Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of Mr. Lilanshu Arora (DIN: 07187329), Mrs. Kiran Sandhu (DIN: 00053879), Mr. Satish Kumar (DIN: 09360435), Mr. Bhupender Singh Johal (DIN: 01983665) and Mrs. Mandeep Grewal (DIN: 03614401) as the members of the Committee as at the end of the financial year. The Stakeholder Relationship Committee duly met Four (4) Times on 10.06.2021, 13.08.2021, 08.12.2021 and 14.02.2022 during the Financial Year. The details of the attendance of the Members who attended the meetings and terms of reference etc are given separately in the Corporate Governance report annexed separately.

e. Declaration by Independent Directors and their meeting:

The Company has received the requisite declarations under section 149(7) of the Companies Act, 2013 read with the SEBI (Listing Obligations & Disclosure Requirement) regulations, 2015 from each of the Independent directors at the start of the Financial Year and at the time of their respective appointments and or re-appointments stating that they meet the criteria of independence as mentioned under Section 149(6) of the Act. During the year under review, One (1) separate meeting of Independent Directors of the Company was held on 14.02.2022.

Familiarization & Training Programme for Independent Directors:

The Company had provided suitable training to all the independent directors of the Company and to familiarize them with the Company, the business model, the socio-economic environment in which the Company operates, the operational and financial performance of the Company. The familiarization Programme also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes.

d. Policy on Director's appointment and remuneration:

The current policy is to have an appropriate mix of executive & non-executive and independent directors to maintain the independence of the board and separate its functions of governance and management. The policy of the Company on Directors appointment and remuneration including the criteria for determining the qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013 is as per the terms laid down in the Nomination & Remuneration policy of the Company. The Nomination & remuneration Policy of the Company is available at the website of the Company at www.taraifoods.com.

3. Auditors:

a. Statutory Auditors:

M/s Sunil Vashisht & Co., Chartered Accountants (FRN: 005016N) having Office at R-8, South Extension Part-2, New Delhi – 110049 were appointed as the Statutory Auditors of the Company for a period of 5 years in the 28th Annual General Meeting held on 28.09.2018 to hold office till the conclusion of 33th Annual General Meeting of the Company to be held in the year 2023.

Reporting of frauds by auditors:

During the year under review, the auditors has not reported to the Board, under sub-section (12) of section 143 of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

There are no explanations or comments given by the Board as the report given by auditors of the Company doesn't contain any qualification, reservation or adverse remarks.

b. Secretarial Audit:

The Board has appointed M/s Santosh Kumar Pradhan, Practicing Company Secretary as the Secretarial Auditor to conduct the secretarial audit of the Company for the Financial Year 2021-22. The secretarial audit report as required under section 204 of the Companies Act, 2013 is annexed as **Annexure 1** and forms part of this report.

Comments of Secretarial Auditor and Board's explanation:

Comments of Secretarial Auditor:

- a. The Composition of the Board was not duly constituted for the period from 16th July, 2021 to 8th December, 2021 and the Company has not obtained the approval of the shareholders towards the re-appointment of Mr. GS Sandhu as the Chairman & Managing Director of the Company during the year under review.
- b. The Composition of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Listed Entity was not proper for the period from 16th July, 2021 to 8th December, 2021.
- c. The Company does not have a Whole Time Key managerial Personnel in the Category of Chief Financial Officer (CFO) pursuant to the provisions of Section 203 of Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- d. 100% Promoter's shareholding of the Listed Entity is not in Dematerialized form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. The Company has not filed shareholding pattern for the quarter ended December, 2021 within the prescribed time period.

- f. The Company has not paid the listing fees to the Bombay Stock Exchange for the Financial Year 2022-23.
- g. The Company has not submitted disclosures regarding the related party transaction for the half year ended 30.09.2021 to the stock Exchange.
- h. The company has not filed the outcome of meetings of board of directors held during the financial year 2021-22 to the stock exchange within prescribed time.
- i. The Company has not published certain information in newspaper and filing to stock exchange within prescribed time limit and also not maintain a proper website.

Board's Explanation:

Point No. a to c: Mr. Ganesh Kumar & Mr. Ashwini Kumar Pandey resigned from the Board of the Company w.e.f 16th July, 2021 and due to second wave of Covid-19 across Globe during this period, the Company was not able to appoint any Independent Director during the said period. Subsequently, the Company had appointed requisite number of Independent Directors w.e.f. 8th December, 2021 complying with the constitution of the Board and Audit, Nomination & Remuneration and Stakeholders' Relation Committee. The Company is proposing to re-appoint Mr. G.S. Sandhu in the ensuing Annual General Meeting to comply with the requirement of re-appointment of Mr. G.S. Sandhu. Mr. R.P. Singh resigned from the post of CFO w.e.f. 31st March, 2021 and the Company is looking to appoint another CFO, however, due to financial position of the Company, the Company was not able to appoint any CFO.

Point No. d to i: The Company is taking necessary steps for making 100% promoter's shareholding in demat form and will pay the listing fees to the Stock Exchange and the Company has already paid the penalty to Bombay Stock Exchange for these defaults. Due to the financial condition of the Company, there is delay in publishing certain information's in Newspaper, however, the Company shall ensure to comply this requirement in future and also to maintain a functional website.

c. Disclosure about Cost Audit:

The provisions of the cost audit and maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable on the Company and accordingly such accounts and records are not required to be made and maintained.

4. Annual Return:

The draft Annual return of the Company as at 31.03.2022 is available in the Company's website at www.taraifoods.com as required under sub-section (3) of Section 92 of the Companies Act, 2013.

5. Vigil Mechanism: (Whistle Blower Policy)

A Vigil Mechanism / Whistle Blower Policy, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 was approved by the Board. The vigil mechanism shall provide for

adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases.

Mr. Manjit Singh, Plant manager was appointed as the Vigilance Officer to hear the grievances of the employees with any person in the company and take steps to resolve the issues amicably and report the same to the Managing Director of the Company and offences of serious nature may be brought to the attention Mr. Lillanshu Arora, Chairman of the Audit Committee of the Company who shall after hearing the concerned person award appropriate punishment to the offender.

6. Deposits:

During the year under review, your company has not accepted any public deposits in terms of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

7. Loans, Guarantees or investments:

The Company has not given any loan or provided any Guarantees and has not made any investments during the financial year under review.

8. Contracts and arrangements with related parties:

The Company has not entered into any contracts and arrangements with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 and hence the Form AOC-2 is not required to be annexed.

9. Corporate Social Responsibility:

The provisions of Corporate Social Responsibility are not applicable on the Company.

10. Risk Management Policy:

Every business has inherent risks involved in its operations, which may be either external or internal. The external factors are market competition, availability of cheaper substitute products, Government policies regarding power tariffs and ongoing political and economic changes in the importing Country. The Company may not have much control over such factors; however it is important to address these risks & concerns to mitigate their overall impact on the business. Formal risk assessment and Management approach along with the regular monitoring mechanism in the Company ensures that these risks are duly addressed and well managed. High focus on safety of plant, its premises and people continuity and proactive Management of related business environment are essential for the risk management in the overall supply chain and business in general.

11. Internal Financial controls Systems And Their Adequacy:

The Company has an adequate system of internal controls to ensure that all activities are monitored and controlled as well as transactions are authorized, recorded and reported correctly. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines, which are supplemented by internal audit regularly.

The Audit Committee of the Board meets on quarterly basis and reviews the internal control systems as well as financial statements.

12. Share Capital:

The Company has only one kind of Shares i.e. Equity shares with same voting rights. The Company has not issued any sweat equity shares during the financial year under review. The Company has not issued any further shares during the financial year under review. Further, during the year under review, the Company has not made any offer to buy back its shares.

13. Particulars of Employees:

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 2** and forms part of this report.

14. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information in accordance with the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and Foreign exchange earning & outgo of the Company were given as per **Annexure 3** to this report.

15. Corporate Governance report:

A Comprehensive report on Corporate Governance as stipulated under Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is attached to this report.

Your Company has obtained a certificate from the Statutory Auditor regarding the compliance of conditions of Corporate Governance as stipulated under Schedule V (E) the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same is annexed.

16. Code Of Conduct For Prevention Of Insider Trading:

Your Company's Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to

unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the shares of the company while in possession of unpublished price sensitive information about the Company as well as during the closure of trading window.

The Board of Directors has approved and adopted the revised Code of Conduct to Regulate, fair disclosure, Monitor and Report Trading by Insiders in line with SEBI (Prohibition of Insider Trading) Amendment Regulation, 2018.

17. Formal Annual Evaluation of Board of its own performance and that of its Committees and Directors:

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, its committees and the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

The details are as follows:

1. Number of Complaints of Sexual Harassment received in the year: Nil
2. Number of Complaints disposed during the year: N.A
3. No. of cases pending for more than ninety days: Nil
4. No. of workshops or awareness Programme against Sexual harassment carried out: Nil
5. Nature of action taken by the employee or District officer: N.A

The Company is in the process of constituting Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee will provide adequate safeguard against Sexual Harassment Complaints and will provide direct access to the Chairperson of the Internal Complaints Committee. It will take steps to resolve the issues and after hearing the concerned person award appropriate punishment to the offender.

19. Disclosure under Secretarial Standard-1 (SS-1):

Adherence by a Company to the Secretarial Standards is mandatory as per Sub-section (10) of Section 118 of Companies Act, 2013. As per the disclosure requirement of para (9) of Secretarial Standard-1 (SS-1), the Company complies with the provisions of applicable Secretarial Standards in respect of the convening of the Board & General Meetings.

20. Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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;
3. 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
4. The Directors had prepared the annual accounts on a 'going concern' basis; and
5. 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.
6. 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.

21. STOCK EXCHANGE LISTING

The shares of the Company are listed on BSE Limited (BSE). The listing fee for the financial year 2022-23 has not been paid to BSE till the date of this report.

APPRECIATION:

We wish to convey our sincere thanks to the Shareholders and various agencies of the Central Government, State Governments, Financial Institutions, Company's Banker and Business Associates for their continued cooperation extended to the Company. We also wish to record our deep appreciation of the contribution made by the employees at all levels.

Place: Rudrapur
Date: 12.08.2022

By Order of the Board
Tarai Foods Limited

Mr. G.S. Sandhu
Chairman
DIN: 00053527
CAS0020002, Ground Floor, Jaypee Greens
Greater Noida- 201306, UP.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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,
Tarai Foods Limited
CIN: L15142DL1990PLC039291
13, Hanuman Road, Connaught Place,
New Delhi- 110001.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tarai Foods Limited (CIN: L15142DL1990PLC039291) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, 2022 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder &
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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 on Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable as the Company has not issued any securities during the financial year);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase Scheme) Guidelines, 1999; **(Not Applicable as the Company has not issued any Employee Stock Option securities during the financial year);**
- (e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 **(Not Applicable as the Company has not issued any debt securities);**
- (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 as the Company has not de-listed its securities during the Financial Year);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable as the Company has not bought back any security during the Financial Year);**

(v) Other laws applicable specifically to the Company viz.

- (a) Food Safety and Standard Act, 2006.

I 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges.

I report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, standards, etc. mentioned above subject to the following:

- a. *The Composition of the Board was not duly constituted for the period from 16th July, 2021 to 8th December, 2021 and the Company has not obtained the approval of the shareholders towards the re-appointment of Mr. GS Sandhu as the Chairman & Managing Director of the Company during the year under review.*
- b. *The Composition of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Listed Entity was not proper for the period from 16th July, 2021 to 8th December, 2021.*
- c. *The Company does not have a Whole Time Key managerial Personnel in the Category of Chief Financial Officer (CFO) pursuant to the provisions of Section 203 of Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*
- d. *100% Promoter's shareholding of the Listed Entity is not in Dematerialized form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- e. *The Company has not filed shareholding pattern for the quarter ended December, 2021 within the prescribed time period.*
- f. *The Company has not paid the listing fees to the Bombay Stock Exchange for the Financial Year 2022-23.*
- g. *The Company has not submitted disclosures regarding the related party transaction for the half year ended 30.09.2021 to the stock Exchange.*
- h. *The company has not filed the outcome of meetings of board of directors held during the financial year 2021-22 to the stock exchange within prescribed time.*
- i. *The Company has not published certain information in newspaper and filing to stock exchange within prescribed time limit and also not maintain a proper website.*

I further report that, based on the information provided by the Company, its' officers and Authorised Representatives during the conduct of the Audit, in my opinion, adequate systems, processes and control mechanism exist in the Company to monitor & ensure compliance with applicable General laws like Labour Laws, Competition law & Environmental laws.

I further report that, the compliance by the Company of applicable financial laws, like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, 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.

All decisions at Board Meetings and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board respectively.

I 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.

I further report that during the period under review, the company has not taken any decisions which have major bearing on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Date: 10.08.2022

Place: Ghaziabad

for **Santosh Kumar Pradhan**
(Company Secretaries)

Santosh Kumar Pradhan
FCS No.: 6973 & C. P. No. 7647
P. R. No.: 1388/2021
UDIN: F006973D000774575

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report

To
The Members,
Tarai Foods Limited
CIN: L15142DL1990PLC039291
13, Hanuman Road, Connaught Place,
New Delhi- 110001

My report of even date is to be read alongwith this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 10.08.2022
Place: Ghaziabad

For **Santosh Kumar Pradhan**
(Company Secretaries)

Santosh Kumar Pradhan
(Proprietor)
FCS No.: 6973 & C. P. No. 7647
P. R. No.: 1388/2021
UDIN: F006973D000774575

A. Disclosures pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- 1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2021-22:**

| Sl. No | Name of the Directors | Designation | Ratio |
|--------|-----------------------|-------------------|-------|
| 1. | Gurprit Singh Sandhu | Managing Director | N.A |

- 2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

| Sl. No | Name of the Directors | Designation | Increase |
|--------|-----------------------|-------------------|----------|
| 1. | Gurprit Singh Sandhu | Managing Director | NIL |
| 2. | Kiran Sandhu | Director | NIL |
| 3. | Lilanshu Arora | Director | NIL |
| 4. | Vijay Kant Asija | Company Secretary | NIL |

- 3. The percentage increase in the median remuneration of employees in the financial year:**

There is no increase in the median remuneration of employees in the financial year.

- 4. The number of permanent employees on the rolls of company: 7**

- 5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There is no increase in the average percentile of salaries of employees including managerial personnel in 2021-22.

- 6. Affirmation that the remuneration is as per the remuneration policy of the company:**

No remuneration is being paid to any of the Directors of the Company.

B. The information required under Section 197 of the Act read with rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide Notification dated 30th June, 2016 are given below:

(i) Name of top Ten employees

| Sl. No. | Name Of Employees | Designation | Remuneration (Rs.) Per Annum | Nature Of Employment (Contractual Or Otherwise) | Qualification And Experience | Date Of Commencement Of Employment | Age | Last Employment Before Joining The Company | % Of Equity Shares Held By Such Employee | Whether Any Such Employee Is A Relative Of Any Director Or Manager Of The Company |
|---------|-------------------|-------------------|------------------------------|---|------------------------------|------------------------------------|-----|--|--|---|
| 1. | Manjeet Singh | Plant Manager | 5,70,240 | Permanent | Post-Graduation 9 Years | 01.06.2009 | 55 | N.A. | Nil | NO |
| 2. | Vijay Kant Asija | Company Secretary | 2,16,000 | Permanent | CS | 31.03.2021 | 51 | N.A. | Nil | NO |
| 3. | Harnetar Singh | Electrician | 1,73,508 | Permanent | Senior Secondary 23 Years | 01.08.1994 | 49 | N.A. | Nil | NO |
| 4. | P.S. Sharma | Welder | 1,20,120 | Permanent | Senior Secondary 25 Years | 02.04.1996 | 54 | N.A. | Nil | NO |
| 5. | Jaganlal | Welder | 1,12,476 | Permanent | Senior Secondary 7 | 01.12.2011 | 37 | N.A. | Nil | NO |

| | | | | | | | | | | |
|----|--------|-------------------|----------|-----------|----------|------------|----|------|-----|----|
| | | | | | Years | | | | | |
| 6. | Sompal | Computer Operator | 1,08,000 | Permanent | Graduate | 01.09.2017 | 49 | N.A. | Nil | NO |

ii. Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 1,02,00,000/-: N.A

| S. No. | Name of Employees | Designation | Remuneration (Rs.) | Nature of employment (Contractual or otherwise) | Qualification and Experience | Date of Commencement of employment | Age | Last employment before joining the Company | % of Equity shares held by such employee | Whether any such employee is a relative of any director or manager of the Company |
|--------|-------------------|-------------|--------------------|---|------------------------------|------------------------------------|-----|--|--|---|
| N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |

iii. Employed for part of the Financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

| S. No. | Name of Employees | Designation | Remuneration (Rs.) | Nature of employment (Contractual or otherwise) | Qualification and Experience | Date of Commencement of employment | Age | Last employment before joining the Company | % of Equity shares held by such employee | Whether any such employee is a relative of any director or manager of the Company |
|--------|-------------------|-------------|--------------------|---|------------------------------|------------------------------------|-----|--|--|---|
| N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |

iv. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:

| S. No. | Name of Employees | Designation | Remuneration (Rs.) | Nature of employment (Contractual or otherwise) | Qualification and Experience | Date of Commencement of employment | Age | Last employment before joining the Company | % of Equity shares held by such employee | Whether any such employee is a relative of any director or manager of the Company |
|--------|-------------------|-------------|--------------------|---|------------------------------|------------------------------------|-----|--|--|---|
| N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |

**By Order of the Board
For Tarai Foods Limited**

**Place: Rudrapur
Date: 12.08.2022**

**Mr. G.S. Sandhu
Chairman
DIN: 00053527
CAS0020002, Ground Floor, Jaypee Greens
Greater Noida- 201306, UP.**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

I. Conservation of Energy:

Sustainability at Tarai involves the awareness that a greener, healthier planet is the best legacy we can leave for our future generations and for our business. The Company has embedded a policy of reduce, reuse and recycle across all its processes. Company's technical staff and engineers are trained to identify energy-saving opportunities and consistent efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources. Your Company has taken appropriate measures for environment protection by adopting green and clean technologies.

A few initiatives taken by your Company towards energy conservation during the year under review:

- Switch off utility machines during off times.
- Rain water harvesting continues to be a focused activity at our manufacturing plants.
- Use of electrical equipment's with high energy efficiency and low anti-environment emissions.
- Office lights are switched off during lunch time and immediately after the office hours.
- The curtains are kept raised so that natural light is used.
- The laptop & computer monitors are programmed to go to sleep mode when not in use.
- Use of high masks light of 250w to CFL of 85 W.
- We have been able to achieve a higher level of operational efficiency of utilities such as Heating, Ventilation and Air Conditioning (HVAC) systems by scrapping and replacing the old floor mounted HVAC with a more efficient roof mounted HVAC.

II. Technology absorption, adaptation and innovation:

(i) The efforts made towards technology absorption:

Validation of a formulation for compost preparation was carried out in the year 2015. Formulation chosen for the composting consisted of wheat straw, Chicken manure(80 %) , Gypsum (9.5 %) , Urea (1%)and Cotton seed cake(2 %). Validated recent formulation gave significantly higher yield comparing earlier formulation. The present formulation is comparatively cost effective also. Application of validated formulation is presently going on.

The company has not imported any technology in the last few years and hence matters pertaining to the technology absorption, adaptation and innovation are not applicable to the company.

The imported technology currently used is quite old, around 17-20 years old for which the company has retained key technical staffs that have been trained by earlier technical collaborator and have adapted the technology well.

(ii) The expenditure incurred on Research and Development:

Our company is involved in manufacturing business for which the employees carry on necessary research on the job for improving the existing processes and procedures. Since it is an integral part of our continuous effort to improve our services, no research and development expenditure is separately allocated.

III. Foreign Exchange Earnings & Outgo

The particulars regarding earnings and outgo in Foreign Exchange for the year 2021-22 are given below.

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--------------------------|---------------------------|----------------------------|
| Foreign Exchange Earning | NIL | NIL |
| Foreign Exchange Outgo | NIL | NIL |

**By Order of the Board
For Tarai Foods Limited**

**Place: Rudrapur
Date: 12.08.2022**

**Mr. G.S. Sandhu
Chairman
DIN: 00053527
CAS0020002, Ground Floor, Jaypee Greens
Greater Noida- 201306, UP.**

REPORT ON CORPORATE GOVERNANCE

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. The Company believes the sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value.

The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. Integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The Governance Structure

The Company's Corporate Governance philosophy has following tiers:

- i. Strategic Supervision – by the Board of Directors comprising the Executive and Non-Executive Directors.
- ii. Executive Management- by the Executive Management comprising of the Chairman, MD and Whole time Director.
- iii. Operational Management- by the concerned Departmental Heads/Operation Heads.

The said governance structure besides ensuring greater management accountability and credibility facilitates increased autonomy of business, performance discipline and development of business leaders, leading to public confidence.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

The Details of the Board of directors as at the end of the Financial Year is provided herein below:

| S. No. | Name of Directors/ DIN | Category of Directors | No. of Other Directorship | No of Committee Position held | | Directorship in other listed entities (category of directorship) |
|--------|---|-----------------------------|---------------------------|---|---|--|
| | | | | Chairperson | Member | |
| | | | | | | - |
| 1. | Mr. Gurprit Singh Sandhu (DIN:00053527) | Executive Managing Director | 3 | NIL | NIL | NIL |
| 2. | Mrs. Kiran Sandhu (DIN:00053879) | Non-Executive Director | 2 | NIL | Audit, Nomination & Remuneration and Stakeholder Relationship Committee | NIL |
| 3. | Mr. Lilanshu Arora (DIN:07187329) | Non-Executive Independent | 3 | Audit, Nomination & Remuneration and Stakeholder Relationship Committee | Audit, Nomination & Remuneration and Stakeholder Relationship Committee | NIL |
| 4. | *Mr. Satish Kumar (DIN:09360435) | Non-Executive Independent | NIL | NIL | Audit, Nomination & Remuneration and Stakeholder Relationship Committee | NIL |

| | | | | | | |
|----|---|---------------------------|-----|-----|--|-----|
| | | | | | e | |
| 5. | *Mr. B. S. Johal (DIN: 08198711) | Non-Executive Independent | NIL | NIL | Audit, Nominati on & Remuner ation and Stakehold er Relations hip Committe e | NIL |
| 6. | *Mrs. Mandeep Grewal (DIN: 03614401) | Non-Executive Independent | NIL | NIL | Audit, Nominati on & Remuner ation and Stakehold er Relations hip Committe e | NIL |

Notes:

***Mr. B. S. Johal, Mr. Satish Kumar & Mrs. Mandeep Grewal were appointed as Additional Director of the Company in the Capacity of Independent Director w.e.f. 08th December, 2021**

b) Details of Board Meetings held during the year & the attendance of each Director and the attendance in last AGM :

During the year under review, 5 (Five) Board meetings were held and the dates of the board meetings and attendance at the board meetings were as follows:

| Date of Board Meeting | Mr. Gurprit Singh Sandhu | Mrs. Kiran Sandhu | *Mr. Satish Kumar | *Mr. B. S. Johal | *Mrs. Mandeep Grewal | Mr. Lilanshu Arora |
|------------------------------|---------------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|---------------------------|
| 10/06/2021 | Yes | Yes | N.A | N.A | N.A | Yes |
| 13/08/2021 | Yes | Yes | N.A | N.A | N.A | Yes |
| 12/11/2021 | Yes | Yes | N.A | N.A | N.A | Yes |

| | | | | | | |
|------------------------------------|-----|-----|-----|-----|-----|-----|
| 08/12/2021 | Yes | Yes | N.A | N.A | N.A | Yes |
| 14/02/2022 | Yes | Yes | Yes | Yes | Yes | Yes |
| Attendance in Board Meeting | 5/5 | 5/5 | 1/1 | 1/1 | 1/1 | 5/5 |
| Attendance in Last AGM | Yes | No | N.A | N.A | N.A | Yes |

Notes:

*Mr. B. S, Johal, Mr. Satish Kumar & Mrs. Mandeep Grewal were appointed as Additional Director of the Company in the Capacity of Independent Director w.e.f. 08th December, 2021.

c) Disclosure of relationship between Directors inter-se and number of shares held by each of the Non-Executive Directors:

Mr. G.S. Sandhu & Ms. Kiran Sandhu are related to each other. Except this, no other directors are related to each other. Non- Executive Directors does not hold any shares in the Company.

d) Web-link of familiarization program for Director Including Independent Directors:

The Company has imparted requisite training to the Independent Directors. Details of Such training program can be accessed on <http://www.taraifoods.com>

e) Chart Setting out the Skills / Expertise / Competence of the Board of Directors:

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

S No. Core Skills/Expertise/Competencies

1. Corporate Management and Leadership Quality
2. Knowledge of Foods industry
3. Knowledge of Corporate Finance, Accounting and Internal Financial Controls
4. Sales, Marketing and International business
5. Corporate Governance

While evaluating the performance of Board as a whole, it was ensured that the core skills/competencies of the Board Member match with the Core Skills/Competencies matrix set by the company for running its business effectively and in a transparent manner:

| Name of the Director | Expertise in specific functional area |
|----------------------------------|---|
| Mr. Gurprit Singh Sandhu | Industrialist, Industry Knowledge, Management skills, Leadership in the field of Foods industry |
| Mr. Kiran Sandhu | Industry Knowledge in the field of Foods, |
| Mr. Mandeep Grewal | Industry Knowledge in the field of Foods and Banking, Finance |
| Mr. Satish Kumar | Industry Knowledge in the field of Foods and Banking, Finance |
| Mr. Bhupender Singh Johal | Industry Knowledge in the field of Foods and Banking, Finance |
| Mr. Lilanshu Arora | Industry Knowledge in the field of Foods and Banking, Finance |

f) B

Board Independence :

The Company strongly believe that Independent directors play an important role in the affairs of the Company through their valuable contribution and bring transparency and effectiveness in the functioning of the Company. The definition of “independence” of Directors is derived from Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act. The Company has received the annual confirmation and disclosures from all its Non-Executive Independent directors and all of them comply with the requirements laid down by the SEBI Listing Regulations that are applicable to an Independent Director.

g) MEETING OF INDEPENDENT DIRECTORS:

During the year under review, one (1) separate meeting of Independent Directors was held on 14th February, 2022.

h) TERM OF BOARD MEMBERSHIP:

The Nomination and Remuneration Committee (NRC) determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They also possess expertise and insights in sectors/areas relevant to the Company, and have ability to contribute to the Company’s growth.

i) BOARD PROCEDURE :

Meetings Schedule, Agenda and participation thereat: The Board/Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure

meaningful participation in the meetings. The Company Secretary, in consultation with the Chairman, drafts the agenda for meetings, along with notes and the same is made available at least seven days in advance to all the Directors for facilitating fruitful and focused discussions at the meeting. Only in case of urgent business, if the need arises, the Board's/ Committee's approval is taken by passing resolutions through circulation or by calling Board Meeting

j) COMPLIANCE REPORTS

The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

k) INFORMATION PROVIDED TO THE BOARD

The Board has unrestricted access to all Company-related information. At Board/Committee meetings, departmental heads and other technical heads who can provide additional insights into the items being discussed, are invited. The Company provides the following information *inter alia* to the Board, which is given either as part of the agenda or by way of presentations during the meetings, as deemed appropriate.

3. AUDIT COMMITTEE:

a. Meetings during the year:

During the financial year 2021-2022, the Members of the Audit Committee met 5 (Five) times. The dates of the meetings were 10/06/2021, 13/08/2021, 12/11/2021, 08/12/2021 and 14/02/2022.

b) Composition of Committee and attendance of members :

| SI. NO. | NAME OF DIRECTOR | POSITION | CATE GORY | NO. OF MEETINGS | ATTENDANCE |
|---------|----------------------|----------|-----------|-----------------|------------|
| 1. | Mr. Lilanshu Arora | Chairman | NED/ID | 5 | 5 |
| 2. | Mrs. Kiran Sandhu | Member | NED | 5 | 5 |
| 3. | *Mr. Satish Kumar | Member | NED/ID | 1 | 1 |
| 4. | *Mr. B. S. Johal | Member | NED/ID | 1 | 1 |
| 5. | *Mrs. Mandeep Grewal | Member | NED/ID | 1 | 1 |

*Appointed as Members w.e.f. 8th December, 2021.

Terms of reference of Audit Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of statutory auditors, including cost auditors of the Company;
- Approving payment to statutory auditors, including cost auditors, for any other services rendered by them;
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' 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 judgement by the management;
 - d. Significant adjustments made in financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems;
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- 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;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- 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;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries;
- Reviewing the following information:
 - a. The Management Discussion and Analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses;
 - e. Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s); and statement of deviations:
 - (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Remuneration policy of the Company:

The remuneration policy of the Company is available at the website of the Company at www.taraifoods.com. No remuneration is being paid to any of the Directors of the Company.

b) Meetings during the year:

During the financial year 2021-2022, the Members of the Nomination and Remuneration Committee met 4 (Four) times. The dates of the meetings were 10/06/2021, 13/08/2021, 08/12/2021 and 14/02/2022.

c) Composition of Committee and attendance of members:

| Sl. No. | NAME OF DIRECTOR | POSITION | CATE GORY | NO. OF MEETINGS | ATTENDANCE |
|----------------|-------------------------|-----------------|------------------|------------------------|-------------------|
|----------------|-------------------------|-----------------|------------------|------------------------|-------------------|

| | | | | | |
|----|----------------------|----------|--------|---|---|
| | | | | | |
| 1. | Mr. Lilanshu Arora | Chairman | NED/ID | 4 | 4 |
| 2. | Mrs. Kiran Sandhu | Member | NED | 4 | 4 |
| 3. | *Mr. Satish Kumar | Member | NED/ID | 1 | 1 |
| 4. | *Mr. B. S. Johal | Member | NED/ID | 1 | 1 |
| 5. | *Mrs. Mandeep Grewal | Member | NED/ID | 1 | 1 |

C) Performance evaluation criteria:

The Criteria for evaluation of Independent directors may be on the following parameters:

- Highest personal and professional ethics, integrity and values
- Practical wisdom and mature judgment
- Attendance and participation in the meetings
- Expert opinions in respect of serious issues.
- Abidance and behavior in accordance with the code of conduct for Directors.
- The willingness and commitment to devote extensive time necessary to fulfill his/her duties.

Evaluation mechanism:

- i) The Performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- j) On the basis of the report of Performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Terms of reference:

1. Authority:

A. The Committee is authorized by the Board to:

- a) investigate and undertake any activity within its terms of reference; and
- b) Seek any information it properly requires from any employee of the Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee.

B. If the Committee considers it necessary to do so, it is authorized to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorized by the Board.

2. Duties:

A. The duties of the Committee in relation to its nominations function shall be:

- a) to be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;
- b) to review regularly the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order to ensure an adequate size and a well-balanced composition of the Board and further ensure that a majority of the Board is independent, and to make determinations regarding independence of members of the Board;
- c) to consider succession and emergency planning, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Board, reporting to the Board regularly;
- d) to keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;
- e) annual performance evaluation of the Chairman, Managing Director and Whole time director in their respective offices and all directors with respect to their roles as directors;
- f) to ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- g) To recommend to the Board whether to re-appoint a director at the end of their term of office.
- h) to make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provision of the law and their service contract;
- i) to identify and recommend directors who are to be put forward for retirement by rotation;
- j) Before appointment is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.

In identifying suitable candidates the Committee may:

- (i) use open advertising or the services of external advisers to facilitate the search;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
- k) to ensure the development of guidelines for selecting candidates for election or re-election to the Board, or to fill vacancies on the Board;

- l) to delegate any of its powers to one or more of its members or the secretary of the Committee;
- m) to consider any other matters as may be requested by the Board; and
- n) to make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

3. Duties-Remuneration

The duties of the Committee in relation to its remuneration function shall be:

A. to consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Chief Executive Officer, namely,

- a) base salary;
- b) bonuses and performance-related payments (including profit-sharing schemes);
- c) discretionary payments;
- d) benefits in kind; and
- e) share options and their equivalents

B. to approve the remuneration of other members of the senior management of the group

C. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and considering any other connection that they may have with the Company.

D. in relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;

E. to delegate any of its powers to one or more of its members or the secretary of the Committee;

F. to consider any other matters as may be requested by the Board; and

G. to make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

5. Remuneration of Directors:

The Company does not give any Remuneration to all of its Directors.

6. STAKEHOLDERS RELATIONSHIP/ GRIEVANCE COMMITTEE:

a) Meeting During the Year:

During the financial year 2021-2022, the Members of the Stakeholder Relationship/ Grievance Committee met 4 (Four) times. The dates of the meetings were 10/06/2021, 13/08/2021, 08/12/2021 and 14/02/2022.

b) Composition of Committee and attendance of members :

| SI. NO. | NAME OF DIRECTOR | POSITION | CATE GORY | NO. OF MEETINGS | ATTENDANCE |
|---------|----------------------|----------|-----------|-----------------|------------|
| 1. | Mr. Lilanshu Arora | Chairman | NED/ID | 4 | 4 |
| 2. | Mrs. Kiran Sandhu | Member | NED | 4 | 4 |
| 3. | *Mr. Satish Kumar | Member | NED/ID | 1 | 1 |
| 4. | *Mr. B. S. Johal | Member | NED/ID | 1 | 1 |
| 5. | *Mrs. Mandeep Grewal | Member | NED/ID | 1 | 1 |

*Appointed as Members w.e.f. 8th December, 2021.

c) Mr. Vijay Kant Asija, Company Secretary is the Compliance Officer of the Company.

d) - No. of Investors' Complaints received by the Company: NIL

- No. of Complaints not solved to the satisfaction of shareholders: NIL

- No. of Complaints not solved / pending: NIL

7. GENERAL BODY MEETINGS :

• Location and time, where last three AGMs were held :

| Particulars | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|------------------------|--|----------------------------------|----------------------------------|
| Date & Time | September 28, 2019 10.30 A.M. | September 30, 2020 01.00 P.M. | September 30, 2021 05.30 P.M. |
| Venue | Elcina House, 422, Okhla Industrial Area, Phase-III, New Delhi-110020 | Through VC/ OAVM | Through VC/ OAVM |

• Whether any special resolutions passed in the previous 3 AGMs:

Three Special Resolutions were passed in the AGM held on 28th September, 2019.

One Special Resolution was passed in the AGM held on 30th September, 2020.

No Special Resolution was passed in the AGM held on 30th September, 2021.

• Whether any special resolution passed in last year through postal ballot, details of voting pattern:

No

• Person who Conducted the Postal Ballot exercise:

N.A.

- **Whether any special resolution is proposed to be conducted through postal ballot:**

No

- **Procedure for postal ballot:**

N.A

8. MEANS OF COMMUNICATION:•

The Quarterly Unaudited Financial Results are generally published by the Company in The Financial Express (English), Mint (English), Naya India (Hindi), Jansatta (Hindi). The Company maintains a web-site www.taraifoods.com. During the year under review, the Company has neither released any official news nor has made any presentation to the Institutional Investors or to the Analysts.

9. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting:

Date and Time: 26th September, 2022 at 10:00 A.M.
Venue : Through Video Conferencing/ other Audio Visual means

Financial Year: 2021-22

The financial year of the Company is from April to March.

b) Dividend payment date :

N. A.

c) Name and address of Stock Exchanges at which the listed entity securities are listed:

The shares of your Company are listed at The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. The Company has paid the listing fees to the Bombay Stock Exchange for the financial year 2021-22, however, the Company has not paid the listing fees for the financial year 2022-23.

e) Stock Code:

The Stock Exchange, Mumbai - 519285

f) Market price Data High/ Low during each month in last financial year:

At BSE (Bombay Stock Exchange)

| Month | Monthly High | Monthly Low |
|--------------|---------------------|--------------------|
| Apr-21 | 4.24 | 3.64 |
| May-21 | 4.72 | 3.74 |
| Jun-21 | 5.4 | 3.85 |
| Jul-21 | 7.23 | 4.4 |
| Aug-21 | 7.6 | 6.03 |
| Sep-21 | 6.51 | 4.92 |
| Oct-21 | 7.67 | 5.58 |
| Nov-21 | 6.75 | 5.61 |
| Dec-21 | 7.98 | 5.56 |
| Jan-22 | 11.18 | 6.93 |
| Feb-22 | 8.22 | 5.98 |
| Mar-22 | 7.91 | 4.45 |

g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.:

Since the shares of the Company are thinly traded, the comparison of the performance of the shares of the Company with indices such as BSE Sensex is not made.

h) In case of securities are suspended from trading, the Directors report shall explain the reason:

N.A.

i) Registrar and Transfer Agents:

Beetal Financial & Computer Services Pvt. Limited,
99, 3rd Floor, Madangir, B/4 Behind Local Shopping Center,
Near Dada, Harsukh Das Mandir,
New Delhi- 110 062.

j) Share Transfer System:

All the share transfer system of the company is being controlled by Beetal Financial & Computer Services Pvt. Limited, subject to the approval of the company.

k) Distribution of Shareholding as on 31.03.2022:

| Sr. No. | Category | No. of Shares | % of Holding |
|----------------|---|----------------------|---------------------|
| A. | Promoters' Holding: | | |
| 1. | Promoters | | |
| | Indian Promoters | 19,31,862 | 10.90 |
| | Foreign Promoters | 63,28,100 | 35.70 |
| 2. | Persons Acting In Concert | NIL | NIL |
| | Sub- Total | 82,59,962 | 46.60 |
| B. | Non Promoters' Holding | | |
| 3. | Institutional Investors: | | |
| a. | Mutual Funds & UTI | 12,900 | 0.07 |
| b. | Banks, FIs, Insurance Companies (Central/State Govt. Institutions/Non- Govt. Institutions) | 20,100 | 0.12 |
| c. | Foreign Institutional Investors | NIL | NIL |
| | Sub- Total | 33,000 | 0.19 |
| 4. | Others | | |
| a. | Private Corporate Bodies | - | - |
| b. | Indian Public | 52,53,508 | 29.63 |
| c. | NRIs/OCBs/HUF | - | - |
| | Any Other Clearing Members- Demat Transit/ Trust) | 41,81,650 | 23.59 |
| | Sub-Total | 94,35,158 | 53.22 |
| | GRAND TOTAL | 1,77,28,120 | 100 |

l) Dematerialization of Shares & Liquidity:

As on 31st March, 2022, 1,28,31,369 equity shares, representing 72.378% of total Equity Capital is held in demat form with the NSDL & CDSL.

m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

N. A.

n) Commodity price risk or foreign exchange risk and hedging activities:

N.A.

o) Plant Location:

Village: Fazilpur-Mehrola,
Tehsil: Kichha, Rudrapur,
Dist.: Udham Singh Nagar,
Uttarakhand.

p) Address for Correspondence:

13, Hanuman Road,
Connaught Place,
New Delhi- 110001.

10. OTHER DISCLOSURES:

- **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relative that may have potential conflict with the interests of the Company at large:**

The Company does not have any materially significant related party transactions, which may have potential conflict with its interest at large.

- **Details of non-compliance by the Listed Entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to capital markets, during the last three years :**

There is no non-compliance made by the Company during the last 3 years on any matter related to capital markets

- **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:**

A Vigil Mechanism / Whistle Blower Policy, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 was approved by the Board in its Board meeting held on 14th November, 2014. The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases.

Mr. Manjit Singh, Plant Manager was appointed as the Vigilance Officer to hear the grievances of the employees with any person in the company and take steps to resolve the issues amicably and report the same to the Managing Director of the Company and offences of serious nature may be brought to the attention Mr. Lilanshu Arora Chairman of the Audit Committee of the Company who shall after hearing the concerned person award appropriate punishment to the offender.

- **Details of compliance of mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and the Company proposed to adopt some of the provisions of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

- Web Link where policy for determining “material” subsidiaries and policy on dealing with related party transactions is disclosed: The Company does not have any subsidiary Company.

- **Disclosure of Commodity price risks and commodity hedging activities:**

N.A.

- **Certificate From Practicing Company Secretary that None of the Directors on the Board of the Company have been Debarred or Disqualified from Being appointed or Continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any Such Statutory authority:**

The Company has received a certificate from Santosh Kumar Pradhan, Practising Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

- All The recommendation made by the Audit/ Nomination & Remuneration Committee during the Year under review were accepted and adopted by the Board.
- **Statutory Auditors and their fee: M/S Sunil Vashisht & Co. the Chartered Accountants are the Statutory Auditors of the Company. During the F.Y. 2021-22, the total fees Paid by the Company to them on a Consolidated basis is as below:**

| | |
|------------------------|-------------------|
| Statutory Audit | Rs. 100000 |
| Other Services | Rs. 20000 |

- **Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :**

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All

women employees are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, no Complaint was reported pertaining to sexual harassment of women at workplace.

- 11) The Company has complied all the requirement of the corporate governance report as mentioned in Schedule V sub paras (2) to (10).**
- 12) The Company has Complied with the all the Corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of Sub regulation (2) of regulation 46 of SEBI(Listing Obligation and Disclosure Requirements, Regulations 2015).**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015)

**To,
The Members of,
TARAI FOODS LIMITED
13, HANUMAN ROAD,
CONNAUGHT PLACE,
NEW DELHI, DL 110001**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TARAI FOODS LIMITED** having CIN L15142DL1990PLC039291 and having registered office at 13, Hanuman Road, Connaught Place, New Delhi- 110 001 (hereinafter referred to as the Company), produced before me by the Company for the purpose of issuing the Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of Security Exchange Board of India (Listing obligation and Disclosure Requirement) Regulations, 2015).

In my opinion and to the best of my information and according to the verifications (including Directors Identifications Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Security Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|----------------|-------------------------|------------|---------------------------------------|
| 1. | GURPRIT SINGH SANDHU | 00053527 | 20/02/1990 |
| 2. | KIRAN SANDHU | 00053879 | 31/08/1998 |
| 3. | LILANSHU ARORA | 07187329 | 01/04/2019 |
| 4. | SATISH KUMAR | 09360435 | 08/12/2021 |
| 5. | BHUPENDER SINGH JOHAL | 01983665 | 08/12/2021 |
| 6. | MANDEEP GREWAL | 03614401 | 08/12/2021 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ghaziabad
Date: 10.08.2022

For **Santosh Kumar Pradhan**
(Company Secretaries)

Santosh Kumar Pradhan
(Proprietor)
FCS NO.: 6973 & C.P. No. 7647
P.R.C. No. 1388/2021
UDIN: F006973D000774608

COMPLIANCE CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE Independent's Auditor's Certificate

The Members

Tarai Foods Limited

(CIN: L15142DL1990PLC039291)

13, Hanuman Road, Connaught Place,

New Delhi- 110001.

1. We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said company with the Stock Exchanges, for the year ended 31st March 2022.
2. 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 ensuring the Compliance of the conditions of the corporate Governance as stipulated in said regulations. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.
4. Based on such a review, in our opinion, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Uniform Listing Agreement of the said company with the Stock Exchanges.
5. We further state that such compliance is neither an assurance as the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 10.08.2022

Place: Rudrapur

**For Sunil Vashisht & Co.
Chartered Accountants
Firm Regn. No.: 005016N**

**CA VARUN VASHISHT
(Partner)
Membership No.: 512252**

Certificate in Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time for the year ended 31st March, 2022

CEO Compliance Certificate

I, G.S. Sandhu, Managing Director (DIN: 0053527) of Tarai Foods Limited certify that:

- a) We have reviewed the Audited Financial Results of the Tarai Foods Limited for the year ended 31st March, 2022 and to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain an materially untrue statement or omit any material facts or contain statements that might be misleading;
 - ii) these statements together present true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2022 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal control, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in the internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instances during the year of significant fraud with involvement therein management or any employee having significant role in the Company's internal control system over financial reporting.

Date: 30.05.2022
Place: Rudrapur

Sd/-
G.S Sandhu
Managing Director
DIN:00053527

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF TARAI FOODS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **TARAI FOODS LIMITED** (“the Company”) which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

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 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2022, the loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Serial no | Key Audit Matter | Auditor's Response |
|-----------|------------------|--------------------|
| | None | None |

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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 section 143 (3) of the Act, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow 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 Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on 31 March 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditors' 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 the explanations given to us:

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the Indian Accounting Standards (IndAS).
2. The Company did not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
3. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

M/s Sunil Vashisht & Co.
(Chartered Accountants)
FRN: 005016N

Sd/-
CA. Varun Vashisht
Partner
M.No. 512252
Place: Rudrapur
Date: 30.05.2022
UDIN: 22512252AKWYIT9816

“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of TARAI FOODS LIMITED

Report on the Internal Financial Controls 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 TARAI FOODS LIMITED (“the Company”) as of 31 March 2022 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 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 31 March 2021, 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.

M/s Sunil Vashisht & Co.

(Chartered Accountants)

FRN: 005016N

Sd/-

CA. Varun Vashisht

Partner

M.No. 512252

Place: Rudrapur

Date: 30.05.2022

UDIN: 22512252AKWYIT9816

ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report that:

(i). In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. And which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification and the same have been properly dealt with in the books of account;

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

(ii). In respect of its inventory:

a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.

b) There were no material discrepancies noticed on such physical verification of inventory as compared to the book records and the same have been properly dealt with in the books of account;

(iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence (iii) (a), (b) and (c) are not applicable in the case of the Company.

(iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v). According to the information and explanations given to us, the Company has not accepted any deposits during the year and accordingly the question of complying with the directives issued by the Reserve Bank of India and the provisions of section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder does not arise. According

to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi). The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

(vii). According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

a) in the year under review, the Company is regular in depositing undisputed statutory dues including employees' state insurance, income-tax, Goods and Service Tax, duty of customs, cess and any other statutory dues to the appropriate authorities.

Undisputed statutory dues of provident fund of current year under review and of earlier years and sales tax of earlier years have been deposited and Provident Fund amounting to Rs. 6.94 lacs including of earlier years) and sales tax of earlier years amounting to Rs. 0.13 lacs has not been deposited with the Authorities after they have become due. However, provision for provident Fund has been made in Books of Accounts in the earlier years.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, duty of customs, Goods and Service Tax, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

b) As at 31st March, 2022 according to the records of the Company, the following are the particulars of disputed dues on account of excise duty matters that have not been deposited:

| Name of the Statute | Nature of Dues | Amount (Rs. In Lacs) | Period to which dues relate | Forum where the dispute is pending |
|----------------------------|-----------------------|-----------------------------|------------------------------------|---|
| Central Excise Act, 1944 | Excise Duty | Rs. 0.59 | 1999- 2000 | Appellate Authority – Upto Commissioner's Level |

(viii) In our opinion and based on our audit procedures and according to the information and explanation given to us and as per the books maintained by the Company, the Company has not defaulted in repayment of dues to financial institutions and the bank. And the Company did not have any outstanding debenture during the year.

(ix) In our opinion and based on our audit procedures and according to the information and explanation given to us, the Company has not raised any moneys by way of initial public offer or

further public offer (including debt instruments) and term loans in the year under review and accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The company is not a Nidhi Company and hence paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) To the best of our knowledge 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 under review..

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

M/s Sunil Vashisht & Co.
(Chartered Accountants)
FRN: 005016N

Sd/-
CA. Varun Vashisht
Partner
M.No. 512252
Place: Rudrapur
Date: 30.05.2022
UDIN: 22512252AKWYIT9816

Note 21: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. General Information:

a) Tarai Foods Limited (the Company), is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Stock Exchange of Mumbai. The Registered Office of the company is located at 13, Hanuman Road, Connaught Place, New Delhi- 110001.

b) The company is primarily engaged in the business of manufacture of frozen fruits and vegetables using the Individual Quick Frozen (IQF) freezing Technology.

2. Statement of Compliance:

a) The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

b) Up to the year ended 31st March, 2017, the Company prepared its Financial Statements in accordance with the requirements of previous GAAP prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Companies First Ind AS Financial Statements.

3. Significant accounting policies:

a) Basis of preparation of Financial Statements

i) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of changes in Equity for the year ended 31st March, 2022 and a summary of Significant accounting policies and other Explanatory Information (together hereinafter referred to as "Financial Statements").

ii) The financial statements of the company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

iii) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

b) Use of estimates and judgments

i) The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

4. **Property, Plant and Equipments:**

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets. Expenditure incurred after the property, plant and equipment have been put into use, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

Capital Work-In-Progress is carried at cost, comprising direct cost, related incidental expenses, if any to the extent they relate to the period till assets are ready for intended use.

5. **Depreciation :**

TANGIBLE ASSETS:

Depreciation has been provided based on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013 as per rates prescribed according to the Straight Line Method.

6. **Revenue Recognition and Sales:**

Revenue on sale of goods is recognized on transfer of risks and reward which generally coincide with dispatch of goods to the parties.

7. **Inventories:**

a. Finished Goods are valued at the lower of cost and net realizable value. Cost for this purpose includes direct cost and an appropriate portion of allocable overheads.

b. W.I.P. is valued at cost. Cost for this purpose includes direct cost and attributable overheads.

c. In case of stores and spares and packing material and raw material, 'Specific Identification' method and for other inventories, FIFO method is used.

8. **Employee Benefits:**

a. **Provident Fund:**

Provident Fund is a defined contribution scheme and the Company's contributions are charged to the Profit and Loss Account during the period in which the employee renders the related services.

b. **Gratuity and Leave Encashment entitlement:**

The company's liability towards the Gratuity and Leave Encashment is accounted for on the basis of actuarial valuation done at the year end and is charged to Statement of Profit and Loss.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice.

9. TAXATION

Income Tax expenses comprise current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Laws). Deferred Tax on assets are recognized and carried forward only if there is a virtual/ reasonable certainty of realization of such assets in near future and are reviewed for their appropriateness of respective carrying value at Balance Sheet date.

10. Provisions, Contingent Liabilities and Contingent assets:

Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.

Contingent liabilities are disclosed in the notes to accounts and are determined based on the management perception that these liabilities are not likely to materialize. Contingent assets are not recognized or disclosed in the financial statements.

Note 22: ADDITIONAL NOTES TO FINANCIAL STATEMENTS

1. The confirmation, reconciliation and adjustment of balances pertaining to trade receivables and payables, loans and advances and capital advances is an ongoing process. As regards the outstanding trade receivables, loans and advances and capital advances, the significant portion of these are independently verified and the company is of the opinion that the same are fully recoverable and consequential adjustments and provisioning, if any, are not likely to be material given the nature and size of its operation.
2. In the absence of any possibility of taxable profits in the near future, the company has not provided for Deferred Tax Asset as per Ind AS-12. The company is not recognizing deferred tax assets in respect of huge unabsorbed depreciation and carried forward losses and other deferred tax assets as there is no certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3. The company had raised invoice claims on Lamb Weston Inc. amounting to Rs.12.17 lacs during earlier years towards renting of cold storage, testing charges, custom duty and freight charges which are outstanding as at March 31, 2022. These amounts are recoverable in foreign currency and are doubtful of recovery. Accordingly, provision for these amounts had already been made in these accounts in 1997-98.

5. Disclosure pursuant to Ind AS -37: Rs. In lacs

| Provisions for doubtful debts | Debtors | Loans and Advances |
|---|---------|--------------------|
| Opening balance as on 01.04.21 | 5.47 | 6.71 |
| Provided /Utilised/Reversed during the year | NIL | NIL |
| Closing balance as on 31.03.2022 | 5.47 | 6.71 |

6. The company has not received any intimation from all the suppliers regarding their status under the Micro, Small and Medium Enterprises Act. 2006. There is a micro and small enterprises to whom the Company owes dues, which is outstanding for more than 45 days as at 31st March, 2022. The above information pertaining to micro and small enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.

7. In respect of Ind AS 108 on “Operating Segments”, the Company is a single segment Company dealing in fresh, frozen and canned foods in accordance with the criteria for identification of reportable segment specified in the said standard.

8. Earnings per share

| Particulars | | 2021-22 (Rs. In lacs) | 2020-21 (Rs. In lacs) |
|--|------|----------------------------------|----------------------------------|
| Numerator | | | |
| Net profit/ (Loss) before Exceptional Items | | (44.50) | (23.68) |
| Net profit/ (loss) After Exceptional Items | | (44.50) | (23.68) |
| Net profit/ (loss) after Other comprehensive income | | (42.95) | (21.62) |
| Denominator | | | |
| Weighted average Equity Shares Basic and Diluted EPS (face value of Rs. 10/- each) | Nos. | 15364120 | 15364120 |
| Before Exceptional Items | | (0.29) | (0.15) |
| After Exceptional Items | | (0.29) | (0.15) |
| | | | |

9. The net worth of the company is negative as at the Balance Sheet date. However accounts of the company have been prepared on going concern basis since the company is taking necessary steps for its revival. In case the company is unable to continue as going concern in future, the resultant adjustments, if any are presently not ascertainable.
10. Liabilities recognized in the Balance Sheet as on 31st March, 2022 with respect to gratuity is Rs. 8.34 Lacs (Previous year Rs. 8.75 lacs) and with respect to leave encashment/ entitlements Rs. 0.74 Lacs (Previous Year Rs. 0.68 lacs) as per the Actuarial Valuation. The following table set out the status of the Gratuity plan as required under IndAS-19. Reconciliation of the opening and closing value of the defined benefit obligation-

| | | GRATUITY PLAN | | LEAVE ENCASHMENT | |
|---|---|----------------------|----------------------|----------------------|----------------------|
| Sr. No. | Components of Employers Expenses | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| 1. | Current Service Cost | 48,841 | 66,027 | 6,407 | 9,724 |
| 2. | Interest Cost | 59,565 | 74,828 | 4,610 | 9,102 |
| 3. | Net Actuarial (gain)/ loss recognized in the period | (1,49,892) | (1,34,549) | (5,225) | (71,552) |
| 4. | Expenses Recognized in the statement of Profit & Loss | 1,08,406 | 1,40,855 | 5,792 | (52,726) |
| Reconciliation of the opening and closing value of the defined benefit obligation- | | | | | |
| Sr. No. | Net Assets/ (Liability) recognized in Balance Sheet | 2022 | 2021 | 2022 | 2021 |
| 1. | Present Value of defined Benefit obligation | 8,34,469 | 8,75,955 | 73,589 | 67,797 |
| 2. | Fair Value of Plan Assets | -- | -- | -- | -- |
| 3. | Status {(Deficit)/ Surplus} | (8,34,469) | (8,75,955) | (73,589) | (67,797) |
| 4. | Net Asset/ (Liability) recognized in Balance Sheet | (8,34,469) | (8,75,955) | (73,589) | (67,797) |
| a. | Current | (1,11,932) | (1,09,647) | (9,742) | (8,379) |
| b. | Non- Current | (7,22,537) | (7,66,308) | (63,847) | (59,418) |

| Sr. No. | Change in Present Value of Obligations during the Year | 2022 | 2021 | 2022 | 2021 |
|---------|--|------------------|-------------------|----------------|-----------------|
| 1. | Present Value of the Obligation at the Beginning of the Year | 8,75,955 | 1,100,412 | 67,797 | 1,33,856 |
| 2. | Current Service Cost | 48,434 | 66,027 | 6,407 | 9,724 |
| 3. | Interest Cost | 60,249 | 74,828 | 4,610 | 9,102 |
| 4. | Curtailment Cost/ (Credit) | -- | -- | -- | -- |
| 5. | Settlement Cost/(Credit) | -- | -- | -- | -- |
| 6. | Plan Amendments | -- | -- | -- | -- |
| 7. | Acquisitions | -- | -- | -- | -- |
| 8. | Actuarial (Gains)/Losses | (149,892) | (134,549) | (5,225) | (71,552) |
| 9. | Benefits paid | -- | (2,30,763) | -- | (13,333) |
| 10. | Present Value of Obligation at the END of the Year | 8,34,469 | 8,75,955 | 73,589 | 67,797 |
| | | | | | |
| Sr. No. | Change in Fair Value of Assets | N.A. | N.A. | N.A. | N.A. |
| | | | | | |
| Sr. No. | Actuarial Assumptions | 2022 | 2021 | 2022 | 2021 |
| 1. | Discount Rate | 6.80% | 6.80% | 6.80% | 6.80% |
| 2. | Rate of Increase in Compensation Levels | 10% | 10% | 10% | 10% |
| | | | | | |
| Sr. No. | Major category of Plan Assets | N.A. | N.A. | N.A. | N.A. |
| | | | | | |

12. The cold store building had suffered damages due to earthquake in March, 1999. The building requires major repairs in insulation and RCC works has to be repaired and substantial insulation will have to be re-done. The company had filed insurance claim with the National Insurance Co. in 2001 which remains unsettled till date.
13. The Company suffered loss on account of deterioration of stocks arising out of break down in Generating set and earthquake damages to the cold store building. Company had filed insurance claim with National Insurance Co. in 2001 for deterioration of stocks, machinery break down, for generator set and cold store building which are all pending till date.

14. The company has filed a case in Delhi High Court in 2004 for losses on account of damages to the cold store, deterioration of stocks, machinery break down. The case has been admitted and the evidences are being taken up.
15. As of now, the company has only Unsecured Loans taken from the Directors and Related Parties.

16.

| | 2021-22 | 2020-21 |
|--|----------|----------|
| VALUE OF IMPORTS ON CIF BASIS ON RAW MATERIAL, COMPONENTS , SPARE PARTS AND CAPITAL GOODS | NIL | NIL |
| PAYMENT TO AUDITORS AS: | | |
| STATUTORY AUDIT FEES | 90,000 | 90,000 |
| TAX AUDIT FEES | 20,000 | 20,000 |
| COST AUDIT FEES | NIL | NIL |
| INTERNAL AUDIT FEES | 10,000 | 10,000 |
| SECRETARIAL AUDIT FEES | 20,000 | 20,000 |
| OTHER REIMBURSEMENTS | -- | -- |
| TOTAL AUDIT PAYMENTS | 1,40,000 | 1,40,000 |
| EXPENDITURE IN FOREIGN CURRENCY ON ROYALTY, KNOWHOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST AND OTHER MATTERS | NIL | NIL |
| AMOUNT REMITTED IN FOREIGN CURRENCY ON DIVIDEND | NIL | NIL |
| EARNINGS IN FOREIGN CURRENCY ON ROYALTY, KNOWHOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST AND OTHER MATTERS | NIL | NIL |

17. Due to this Pandemic COVID-19, there was an adverse impact on the sales of the company as the major business clients of the company include Hotels and Restaurants, Caterers etc. which operated at a very low scale during the whole year.
18. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

TARAI FOODS LIMITED
13, HANUMAN ROAD, CONNAUGHT PLACE, DELHI- 110001
AUDITED BALANCE SHEET AS AT 31.03.2022

₹ in Thousands

| PARTICULARS | Note No. | ₹ in Thousands | |
|---|----------|------------------------|------------------------|
| | | AS AT 31.03.2022 | AS AT 31.03.2021 |
| | | Rs. | Rs. |
| A. ASSETS | | | |
| 1. Non Current Assets | | | |
| Property, Plant & Equipments | 1 | 22082.48 | 24322.74 |
| Capital Work-In-Progress | | 1269.34 | 1269.34 |
| Total Non-Current Assets | | <u>23351.81</u> | <u>25592.07</u> |
| 2. Current Assets | | | |
| Inventories | 2 | 1861.11 | 2375.63 |
| Financial Assets: | | | |
| Trade Receivables | 3 | 614.95 | 406.08 |
| Cash and cash equivalents | 4 | 524.75 | 1659.12 |
| Short Term Loans and Advances | 5 | 2686.01 | 2824.07 |
| Total Current Assets | | <u>5686.83</u> | <u>7264.90</u> |
| TOTAL- ASSETS | | <u>29038.65</u> | <u>32856.97</u> |
| B. EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| Share Capital | 6 | 153641.20 | 153641.20 |
| Other Equity | 7 | -171105.67 | -166810.64 |
| Total Equity attributable to equity shareholders | | <u>-17464.47</u> | <u>-13169.44</u> |
| 2. Liabilities | | | |
| Non Current Liabilities | | | |
| Financial Liabilities: | | | |
| - Long Term Borrowings | 8 | 26143.80 | 25823.80 |
| Other Financial Liabilities: | | | |
| -Long Term Provisions | 9 | 950.73 | 825.73 |
| Total Non Current Liabilities | | <u>27094.53</u> | <u>26649.53</u> |
| Current Liabilities | | | |
| Financial Liabilities: | | | |
| Trade payables | 10 | 16033.25 | 15534.37 |
| Other Financial Liabilities: | | | |
| Other Current Liabilities | 11 | 3293.00 | 3724.49 |
| Short Term Provisions | 12 | 82.33 | 118.03 |
| Total Current Liabilities | | <u>19408.59</u> | <u>19376.89</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>29038.64</u> | <u>32856.97</u> |

The accompanying notes 1 to 22 are an integral part of the Standalone Financial Statements
This is the Balance Sheet referred to in our report of even date

For and on behalf of
M/s. Sunil Vashisht & Co.
Chartered Accountants

Sd/-
Varun Vashisht
Partner
Membership No. 512252

Place : Rudrapur
Date: 30.05.2022

For & On Behalf of the Board

Sd/-
G.S. Sandhu
Managing Director
DIN: 00053527

Sd/-
Lilanshu Arora
Director
DIN: 07187329

Sd/-
Vijay Kant Asija
Company Secretary
Membership No. 13390

TARAI FOODS LIMITED
13, HANUMAN ROAD, CONNAUGHT PLACE, DELHI- 110001
AUDITED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2022

| Particulars | Note No. | For the year ended | |
|--|----------|--------------------|-----------------|
| | | 31.03.2022 | 31.03.2021 |
| Revenue from Operations | 13 | 27433.88 | 28272.67 |
| Other Income, net | 14 | 744.51 | 1183.11 |
| Total Income | | 28178.39 | 29455.79 |
| Cost of Materials consumed | 15 | 13048.30 | 13990.18 |
| Purchase of Stock in Trade | | 0 | 0 |
| Changes in inventories of Finished Goods, WIP and stock-in-Trade | 16 | 514.52 | 82.65 |
| Employee Benefit Expenses | 17 | 2176.56 | 3814.47 |
| Finance Cost | 18 | 0 | 65.64 |
| Depreciation and Amortization expenses | 1 | 1601.35 | 1601.35 |
| Other Expenses | 19 | 14585.29 | 12193.48 |
| Total Expenses | | 31926.01 | 31747.76 |
| Profit/(Loss) before Extraordinary Items and Tax and Prior Period Items | | -3747.61 | -2291.98 |
| Prior Period Expenses | | 702.53 | 75.70 |
| Profit/(Loss) before Extraordinary Items and Tax | | -4450.14 | -2367.68 |
| Extraordinary Items | | .00 | .00 |
| Profit/(Loss) before Tax | | -4450.14 | -2367.68 |
| Current Tax | | .00 | .00 |
| Deferred Tax | | .00 | .00 |
| Profit / (Loss) for the Year | | -4450.14 | -2367.68 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | 155.12 | 206.10 |
| Income tax related items that will not be reclassified to profit or loss | | .00 | .00 |
| Items that will be reclassified to profit or loss | | .00 | .00 |
| Income tax related items that will be reclassified to profit or loss | | .00 | .00 |
| Total Other Comprehensive Income, net of Tax | | 155.12 | 206.10 |
| Total Comprehensive Income for the year | | -4295.03 | -2161.58 |
| Earning Per Share before Extra Ordinary Items | | | |
| Basic and Diluted EPS | | -0.29 | -0.15 |
| Earning Per Share after Extra Ordinary Items | | | |
| Basic and Diluted EPS | | -0.29 | -0.15 |

The accompanying notes 1 to 22 are an integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of
M/s. Sunil Vashisht & Co.
Chartered Accountants

For & On Behalf of the Board

Varun Vashisht
Partner
Membership No. 512252

G.S. Sandhu
Managing Director
DIN: 00053527

Lilanshu Arora
Director
DIN: 07187329

Place : Rudrapur
Date: 30.05.2022

Vijay Kant Asija
Company Secretary
Membership No. 13390

Statement of Changes in Equity

₹ in Thousands

| Particulars | Equity Share Capital | Reserves & Surplus | | | Other Comprehensive Income | Total |
|--|----------------------|--------------------|----------------------------|-------------------|---|------------------|
| | | Capital Reserve | Securities Premium Reserve | Retained Earnings | Other Items of Other Comprehensive Income | |
| Balance as at 1st April, 2021 | 153641.20 | 7925.64 | 36959.31 | -211978.07 | .00 | -13451.92 |
| Changes in Equity for the year ended 31st March, 2022 | | | | | | |
| Pension Plans Gains/(Losses) | .00 | | .00 | .00 | 155.12 | 155.12 |
| Dividends (Including Dividend Distribution Tax) | .00 | | .00 | .00 | .00 | .00 |
| Profit/(Loss) for the year | .00 | | .00 | -4167.66 | .00 | -4167.66 |
| Balance as at 31st March, 2022 | 153641.20 | 7925.64 | 36959.31 | -216145.73 | 155.12 | -17464.47 |

The accompanying notes 1 to 22 are an integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of
M/s. Sunil Vashisht & Co.
Chartered Accountants

For & On Behalf of the Board

Varun Vashisht
Partner
Membership No. 512252

G.S. Sandhu
Managing Director
DIN: 00053527

Lilanshu Arora
Director
DIN: 07187329

Place : Rudrapur
Date: 30.05.2022

Vijay Kant Asija
Company Secretary
Membership No. 13390

TARAI FOODS LIMITED
13, HANUMAN ROAD, CONNAUGHT PLACE, NEW DELHI- 110 001.
WEBSITE: www.taraifoods.com Email: grvnces.tfi@gmail.com Tel No.: 011-41018839
CIN NO.: L15142DL1990PLC039291
Audited Standalone Financial Results for the Quarter ending 31.03.2022
Accounting Policy

Cash Flows are reported using the Indirect Method, whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

| | ₹ in Thousands | |
|---|---------------------------------------|---------------------------------------|
| | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
| | Rs. | Rs. |
| A. Cash Flow from Operating Activities | | |
| Net Profit/ (Loss) Before Tax & Extraordinary items | -4450.14 | -2367.68 |
| Adjustments for | | |
| Actuarial Gain | 155.12 | 206.10 |
| Depreciation and amortisation | 1601.35 | 1601.35 |
| Finance Cost | .00 | 65.64 |
| Interest on Deposits | -31.36 | -72.00 |
| Amount transferred to Capital Reserve | .00 | .00 |
| Profit on sale of Fixed Assets | -711.09 | .00 |
| Interest on loans written back | .00 | .00 |
| Amounts Written Back | .00 | .00 |
| Operating Profit/ (Loss) before Working Capital Changes | -3436.13 | -566.59 |
| Adjustment for | | |
| Trade & Other Receivables | -208.87 | 144.11 |
| Loans and Advances | 138.06 | -154.11 |
| Inventories | 514.52 | 82.65 |
| Long Term Provisions | .00 | -252.83 |
| Short Term Provisions | 89.31 | -37.68 |
| Trade and other Payables | 67.39 | 2339.38 |
| Cash Generated from operations | -2835.73 | 1554.93 |
| Finance Cost | .00 | -65.64 |
| Taxes Paid | .00 | .00 |
| Net Cash from Operating Activities (A) | -2835.73 | 1489.29 |
| B. Cash Flow From Investing Activities | | |
| Purchase of Fixed Assets | .00 | .00 |
| Interest on Deposits | 31.36 | 72.00 |
| Sale of Fixed Assets | 1350.00 | .00 |
| Net Cash used in Investing Activities (B) | 1381.36 | 72.00 |
| C. Cash Flow From Financing Activities | | |
| Increase in unsecured loans | 320.00 | .00 |
| Repayment of Unsecured loans | .00 | -125.00 |
| Repayment to Financial Institutions and Banks | 0 | 0 |
| Cash Flow before Extraordinary Items | 320.00 | -125.00 |
| Adjustments for Extraordinary Items | .00 | .00 |
| Net Cash used in Financing Activities (C) | 320.00 | -125.00 |
| Net Increase in Cash & Cash Equivalents (A+B+C) | -1134.37 | 1436.29 |
| Cash & Cash Equivalents as at the beginning of the period(note below) | 1659.12 | 222.83 |
| Cash & Cash Equivalents as at the close of the period(note below) | 524.75 | 1659.12 |
| Cash & Cash Equivalents including | | |
| -Cash in hand | 17.11 | 35.15 |
| -Balances with Scheduled Banks | 185.01 | 1277.30 |
| -Fixed Deposit with Bank | 322.63 | 346.67 |
| Total | 524.75 | 1659.12 |

- The financial results of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.
- The above results have been reviewed by Audit Committee and were approved at the Board Meeting of the Directors of the company held on 30.05.2022.
- The company has its operations of manufacturing of fresh, frozen foods and vegetables and there is no segment to be reported as per IND AS-108.
- Previous figures have been regrouped, reclassified wherever considered necessary to conform to the current period presentation.

Place: Rudrapur
Date: 30.05.2022

Vijay Kant Asija
Compliance Officer cum Company Secretary
A-13390

| Statement of Other Comprehensive Income | | As at 31st March, 2022 |
|---|-------------|-------------------------------|
| Particulars | Note | ₹ in Thousands |
| A. Items that can be reclassified into profit or loss: | | |
| 1. Foreign exchange gains and loss arising from translations | | 0 |
| 2. Effective portions of gains and losses on hedging instruments in a cash flow hedge | | 0 |
| Total (A) | | 0 |
| B. Items that cannot be reclassified into profit or loss: | | |
| 1. Changes in Revaluation Surplus | | 0 |
| 2. Actuarial gains and losses on defined benefit plans | A | 155.12 |
| 3. Gains and losses from investments in equity instruments measured at fair value through OCI | | 0 |
| 4. For those liabilities designated at fair value through profit or loss, changes in fair value attributable to changes in the liability's credit risk. | | 0 |
| Total (B) | | 155.12 |
| Total Other Comprehensive Income (A+B) | | 155.12 |

A. As per Ind AS 19, Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to profit and loss in subsequent period.

NOTE 1: PROPERTY PLANT AND EQUIPMENT

€ in Thousands

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|-------------------------|--------------------|--------------|-----------------------|--------------------|--------------------|---------------------------|--------------------|--------------------|--------------------|-----------------|
| | As at 01-Apr-21 | Additions | Dispos/ Adjustment | As at 31-Mar-22 | As at 01-Apr-21 | Pro- Rata For the year | As at 31-Mar-22 | As at 31-Mar-22 | As at 31-Mar-22 | |
| TANGIBLE ASSETS: | | | | | | | | | | |
| Land | 11081.21 | 0 | 0 | 11081.21 | 0 | 0 | 0 | 11081.21 | 11081.21 | |
| Approach Road | 919.87 | 0 | 0 | 919.87 | 872.64 | 0 | 872.64 | 47.23 | 47.23 | |
| Buildings | 34362.36 | 0 | 0 | 34362.36 | 2711.95 | 1086.31 | 0 | 28366.76 | 7000.42 | |
| Fleet & Machinery | 86410.30 | 0 | 12778.21 | 73632.09 | 8042.52 | 497.84 | 12139.30 | 6841.06 | 10277.78 | |
| Furniture & Fixtures | 1584.46 | 0 | 0 | 1584.46 | 1581.49 | 13 | 0 | 1581.62 | 2.84 | |
| Office Equipments | 6411.25 | 0 | 0 | 6411.25 | 6221.06 | 17.06 | 0 | 6240.12 | 208.19 | |
| Vehicle | 676.56 | 0 | 0 | 676.56 | 676.62 | 0 | 0 | 676.62 | 2.94 | |
| Total | 164871.02 | 0 | 12778.21 | 138182.89 | 11748.28 | 1605.95 | 12139.30 | 106103.33 | 28854.48 | 24252.93 |
| Total | 164871.02 | 16.80 | 0 | 164887.82 | 11556.93 | 1605.95 | 0 | 11748.28 | 28871.28 | 24269.73 |
| CAPITAL WIP | 230.24 | 0 | 0 | 230.24 | | | | | 230.24 | 230.24 |

NOTE 2: INVENTORY

| | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------|------------------|------------------|
| | Rs. | Rs. |
| Raw Material | 599.85 | 600.17 |
| W.I.P. | 1261.26 | 1674.70 |
| Finished Goods | 0 | 0 |
| Stores & Spares | 0 | 0 |
| Fuel, Oil and Lubricants | 0 | 0 |
| Packing Material | 0 | 0 |
| | 1861.11 | 2274.88 |

NOTE 3: TRADE RECEIVABLES

| | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| | Rs. | Rs. |
| (All the trade receivables are Unsecured) | | |
| Debts outstanding for a period over six months : | | |
| - Unsecured but considered good | 311.03 | 80.99 |
| - Unsecured and considered doubtful | 546.90 | 546.90 |
| Others : | | |
| - Unsecured but considered good | 0 | 122.88 |
| - Unsecured and considered doubtful | 303.93 | 0 |
| Less : Provision for doubtful debts | 546.90 | 546.90 |
| | 614.95 | 203.87 |

NOTE 4: CASH & CASH EQUIVALENTS

| | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| | Rs. | Rs. |
| Balances With Banks In Current Accounts | 160.98 | 79.17 |
| Cheques/ Drafts on Hand | 0 | 0 |
| Cash on Hand | 17.11 | 29.41 |
| Fixed Deposit with Bank # | 346.67 | 311.11 |
| | 5,24,753 | 4,19,690 |

NOTE 6: SHARE CAPITAL

₹ in Thousands

| | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| AUTHORISED CAPITAL: | Rs. | Rs. |
| 32,000,000 Equity Shares of Rs. 10/- each (32,000,000 Equity Shares of Rs. 10/- each) | 320000.00 | 320000.00 |
| 150,000 (last year 150,000) Cumulative Convertible Preference Share Of Rs.100/- each | 15000.00 | 15000.00 |
| | 335000.00 | 335000.00 |
| ISSUED, SUBSCRIBED, CALLED UP AND PAID UP | | |
| 17,728,120 Equity Shares of Rs. 10 each , fully called up (previous year 17728120 Equity Shares) | 177281.20 | 177281.20 |
| LESS: Calls in arrears | 23640.00 | 23640.00 |
| -- By directors and officers Rs.Nil (PY Rs. NIL) | | |
| -- By others Rs. 2.364 crs.(PY Rs. 2.364 crs.) | 153641.20 | 153641.20 |

A.) The details of the Shareholders holding more than 5% shares:

| Name of the Shareholders | As at 31.03.2022 | | As at 31.03.2021 |
|------------------------------|------------------|--------|------------------|
| | No. of Shares | % held | No. of Shares |
| Galway Investments Pvt. Ltd. | 6328.10 | 35.70% | 6328.10 |
| G.S. Sandhu | 1658.56 | 9.36% | 1658.56 |
| Arihant Technology Pvt. Ltd. | 1000.00 | 5.64% | 1000.00 |
| Sunbright Foods Pvt. Ltd. | 1000.00 | 5.64% | 1000.00 |

B.) The reconciliation of the number of shares outstanding is set out below:

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the Year | 17728.12 | 17728.12 |
| Add: Share issued during the year | 0 | 0 |
| Less: Shares cancelled | 0 | 0 |
| Equity Shares at the end of the Year | 17728.12 | 17728.12 |

C.) Terms/ rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity share is entitled to one vote per share. The dividends, if and when declared, is declared and paid in Indian Rupees. The Board of Directors have neither declared nor proposed Dividend. In the event of Liquidation of the Company, the Equity holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, and in the proportion to the number of Equity shares held by them.

NOTE 7: RESERVES & SURPLUS

| | As at 31.03.2022 | As at 31.03.2021 |
|--|-------------------|-------------------|
| | Rs. | Rs. |
| RESERVES AND SURPLUS | | |
| Share Premium Reserve | | |
| At the beginning and at the end of the year | 36959.31 | 36959.31 |
| Capital Reserve | | |
| At the beginning and at the end of the year | 7925.64 | 7925.64 |
| SURPLUS | | |
| Debit Balance in profit & Loss A/c. | | |
| As per Last Balance Sheet | -211978.07 | -209610.39 |
| Add: Profit/ (losses) for the Year | -4167.66 | -2367.68 |
| At the end of the Year | -216145.73 | -211978.07 |
| Accumulated Other Comprehensive Income | 155.12 | 206.10 |
| TOTAL | -171105.67 | -166887.02 |

NOTE 8: LONG TERM BORROWINGS:

₹ in Thousands

| | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Rs. | Rs. |
| Secured: | | |
| TERM LOAN FROM FIS AND BANKS: | | |
| - Rupee Term Loan | 0 | 0 |
| - Interest Accrued and Due | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| Less: Repayments under negotiated settlement | 0 | 0 |
| | <u>0</u> | <u>0</u> |

NOTE 8(a): OTHER LONG TERM BORROWINGS:

| | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Rs. | Rs. |
| UNSECURED LOANS: | | |
| - From Others | | |
| - From Directors | 21948.80 | 21823.80 |
| - From others# | 4000.00 | 4000.00 |
| | <u>25948.80</u> | <u>25823.80</u> |
| # Includes unsecured loan from a Company listed in the Register maintained u/s 189 of the Companies Act, 2013. | | |

NOTE 9: LONG TERM PROVISIONS

| | As at 31.03.2022 | As at 31.03.2021 |
|--|----------------------|----------------------|
| | Rs. | Rs. |
| PROVISION FOR EMPLOYEE BENEFITS | | |
| - Provision for Gratuity (unfunded) | 722.54 | 766.31 |
| - Provision for Earned Leaves (unfunded) | 63.85 | 59.42 |
| | <u>786.38</u> | <u>825.73</u> |

NOTE 10 : TRADE PAYABLES

₹ in Thousands

| | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Rs. | Rs. |
| Sundry Creditors- Due to Others | 16033.25 | 13182.90 |
| - Due to Micro, small and Medium Enterprises | 0 | 0 |
| | 16033.25 | 13182.90 |

NOTE 11: OTHER CURRENT LIABILITIES

| | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------|------------------|------------------|
| | Rs. | Rs. |
| UNSECURED: | | |
| Security deposits | 304.70 | 304.70 |
| Other Payables: | | |
| Advances from Customers | 139.63 | 140.28 |
| Expenses Payable | 746.54 | 1951.28 |
| Other Statutory Dues | 2102.13 | 1254.74 |
| | 2988.30 | 3346.30 |
| | 3293.00 | 3651.00 |

NOTE 12: SHORT TERM PROVISIONS

| | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| | Rs. | Rs. |
| Current Portion of Long Term Employee Benefits: | | |
| - Provision for Gratuity (UNFUNDED) | 111.93 | 137.87 |
| - Provision for Earned Leaves (UNFUNDED) | 9.74 | 16.51 |
| | 121.67 | 154.38 |

Note 13: REVENUE FROM OPERATIONS

₹ in Thousands

| | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------|------------------|------------------|
| | Rs. | Rs. |
| Sale of Products | 29949.42 | 28272.67 |
| Sale of services | 0 | 0 |
| Other Operating Revenues | 0 | 0 |
| | <u>29949.42</u> | <u>28272.67</u> |
| Less: Exise Duty/service tax | .00 | .00 |
| | 29949.42 | 28272.67 |

Note 14: OTHER INCOME

| | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Rs. | Rs. |
| Interest Income on Fixed and security deposits | 11.53 | 72.00 |
| Interest on Income Tax Refund | 1037.87 | .18 |
| Sundry balances written back | 403.19 | 1109.42 |
| Miscellaneous Income | | 1.52 |
| | <u>1452.59</u> | <u>1183.11</u> |

NOTE 15: COST OF MATERIALS CONSUMED

| | As at 31.03.2022 | | As at 31.03.2021 | |
|------------|------------------|------------------|------------------|------------------|
| | Amt. in Rs. | % of Consumption | Amt. in Rs. | % of Consumption |
| Imported | 0 | 0 | 0 | 0 |
| Indegenous | 10842.39 | 100 | 13990.18 | 100 |
| | <u>10842.39</u> | <u>100</u> | <u>13990.18</u> | <u>100</u> |

CONSUMPTION OF RAW MATERIAL:

| | As at 31.03.2022 | | As at 31.03.2021 | |
|---|------------------|-----------------|------------------|-----------------|
| | Qty (in MT) | Value (In Rs.) | Qty (in MT) | Value (In Rs.) |
| Wheat Straw | | 5775.71 | | 5873.35 |
| Farmyard Manure | | 743.39 | | 1340.89 |
| Poultry Manure | | 1597.39 | | 2059.04 |
| Raw Peas | | 123.25 | | 254.11 |
| Misc.(Spawn, Gypsum, coir pith, chemicals,cotton rolls etc. | | 2602.64 | | 2794.83 |
| | | <u>10842.39</u> | | <u>12322.23</u> |

NOTE 16: INCREASE / (DECREASE) IN INVENTORY

₹ in Thousands

| | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------|------------------|------------------|
| | Rs. | Rs. |
| Finished Goods | | |
| Opening stock | 0 | 0 |
| Closing stock | 0 | 0 |
| a | 0 | 0 |
| Work in progress | | |
| Opening stock | 1775.77 | 1858.42 |
| Closing stock | 1858.42 | 1775.77 |
| b | -82.65 | 82.65 |
| a + b | -82.65 | 82.65 |

NOTE 17: EMPLOYEE BENEFIT EXPENSES

| | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Rs. | Rs. |
| Salaries and Wages | 3736.69 | 3358.30 |
| Contribution to Provident and other fund | 189.11 | 99.91 |
| Leave Encashment | 31.21 | 18.83 |
| Gratuity | 157.85 | 140.86 |
| Bonus | 133.27 | 123.98 |
| Staff Welfare Expenses | 84.55 | 72.59 |
| | 4332.68 | 3814.47 |

NOTE 18: FINANCE COST

| | As at 31.03.2022 | As at 31.03.2021 |
|-----------------------|------------------|------------------|
| | Rs. | Rs. |
| Interest expense: | | |
| - Term Loan | 0 | 0 |
| - Others | 0 | 0 |
| Bank Charges | 67.10 | 65.64 |
| Other Borrowing Costs | 0 | 0 |
| | 67.10 | 65.64 |

NOTE 19: OTHER EXPENSES

₹ in Thousands

| | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Rs. | Rs. |
| MANUFACTURING EXPENSES | | |
| Consumption of Stores, spares and packing material | 7592.43 | 7421.25 |
| Fuel, Power & Water | 3263.03 | 861.49 |
| Repairs to Building | 93.88 | 58.36 |
| Repairs to Machinery | 1286.49 | 1274.90 |
| Repair & Maintenance - Cold Store | .00 | 58.70 |
| A | 12235.83 | 9674.70 |
| MARKETING EXPENSES | | |
| Loading & Unloading Charges | 2.02 | 2.83 |
| Freight Outward | 4.65 | .00 |
| Cold Store Hire charges | .00 | .00 |
| B | 6.67 | 2.83 |
| ADMINISTRATIVE EXPENSES | | |
| Audit Fees | 100.00 | 110.80 |
| Travelling & Conveyance Expenses | 80.87 | 133.47 |
| Advertisement | 94.02 | 93.38 |
| Book Maintenance Charges | .00 | .00 |
| Rent | 126.50 | 200.50 |
| General/Board meeting Expenses | 9.50 | 12.90 |
| Miscellaneous Expenses | 79.19 | 67.01 |
| Legal & Professional Charges | 1237.48 | 1216.20 |
| License & Filing Charges | 51.83 | 66.85 |
| Repair & Maintenance - Office | .00 | .00 |
| Repair & Maintenance - Office Equipments | 8.19 | 19.92 |
| Repair & Maintenance- Vehicles | 25.18 | 17.96 |
| Repair & Maintenance- Other Assets | 130.43 | 72.54 |
| Listing Fee & Expenses | 300.00 | 354.00 |
| Share Registrar Charges | .00 | .00 |
| Printing & Stationery | 311.60 | 40.91 |
| Telephone Charges | 78.62 | 77.89 |
| Postage Charges | 447.03 | 5.02 |
| Amounts w/off | 8.57 | 6.53 |
| Interest and penalties | 35.94 | 20.07 |
| C | 3124.94 | 2515.94 |
| TOTAL | A+B+C | |
| | 15367.45 | 12193.48 |

NOTE 20: RELATED PARTY TRANSACTIONS

As per Ind AS-24 Related Parties Disclosure issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them during the year are disclosed below:

| (a) List of Related Parties | |
|---|---------------------------------|
| Relation with Related Parties | Name of Related Parties |
| Key Mangement Personel-Director | Mr. GS Sandhu |
| Relative of Key Management of Personel | Mrs. Kiran Sandhu |
| Enterprise Over which there is significant influence of Director and their relative above | Suraiya Exports Private Limited |
| | Tarai Farmlands Private Limited |

(b) Related Parties Transactions during the year ended 31.03.2022**Transaction Related to Balance Sheet**

₹ in Thousands

| Name of Related Parties | Nature of Transaction | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------------------|------------------------------|---|---|
| GS Sandhu | Unsecured Loan Taken | | |
| GS Sandhu | Unsecured Loan Repaid | | 125.00 |
| Total | | - | -125.00 |

(c) Closing Balances

₹ in Thousands

| Name of Related Parties | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|----------------------------|----------------------------|
| Mr. GS Sandhu | 21948.80 | 21823.80 |
| Tarai Farmlands Private Limited | 4000.00 | 4000.00 |
| Total | 25948.80 | 25823.80 |

Note 21: STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. General Information:

a) Tarai Foods Limited (the Company), is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Stock Exchange of Mumbai. The Registered Office of the company is located at 13, Hanuman Road, Connaught Place, New Delhi- 110001.

b) The company is primarily engaged in the business of manufacture of frozen fruits and vegetables using the Individual Quick Frozen (IQF) freezing Technology.

2. Statement of Compliance:

a) The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

b) Up to the year ended 31st March, 2017, the Company prepared its Financial Statements in accordance with the requirements of previous GAAP prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Companies First Ind AS Financial Statements.

3. Significant accounting policies:

a) Basis of preparation of Financial Statements

i) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of changes in Equity for the year ended 31st March, 2022 and a summary of Significant accounting policies and other Explanatory Information (together hereinafter referred to as "Financial Statements").

ii) The financial statements of the company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

iii) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

b) Use of estimates and judgments

i) The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

4. Property, Plant and Equipments:

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets. Expenditure incurred after the property, plant and equipment have been put into use, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

Capital Work-In-Progress is carried at cost, comprising direct cost, related incidental expenses, if any to the extent they relate to the period till assets are ready for intended use.

**5. Depreciation :
TANGIBLE ASSETS:**

Depreciation has been provided based on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013 as per rates prescribed according to the Straight Line Method.

6. Revenue Recognition and Sales:

Revenue on sale of goods is recognized on transfer of risks and reward which generally coincide with dispatch of goods to the parties.

7. Inventories:

a. Finished Goods are valued at the lower of cost and net realizable value. Cost for this purpose includes direct cost and an appropriate portion of allocable overheads.

b. W.I.P. is valued at cost. Cost for this purpose includes direct cost and attributable overheads.

c. In case of stores and spares and packing material and raw material, 'Specific Identification' method and for other inventories, FIFO method is used.

8. Employee Benefits:

a. Provident Fund:

Provident Fund is a defined contribution scheme and the Company's contributions are charged to the Profit and Loss Account during the period in which the employee renders the related services.

b. Gratuity and Leave Encashment entitlement:

The company's liability towards the Gratuity and Leave Encashment is accounted for on the basis of actuarial valuation done at the year end and is charged to Statement of Profit and Loss.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice.

9. TAXATION

Income Tax expenses comprise current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Laws). Deferred Tax on assets are recognized and carried forward only if there is a virtual/ reasonable certainty of realization of such assets in near future and are reviewed for their appropriateness of respective carrying value at Balance Sheet date.

10. Provisions, Contingent Liabilities and Contingent assets:

Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.

Contingent liabilities are disclosed in the notes to accounts and are determined based on the management perception that these liabilities are not likely to materialize. Contingent assets are not recognized or disclosed in the financial statements.

Note 22: ADDITIONAL NOTES TO FINANCIAL STATEMENTS

1. The confirmation, reconciliation and adjustment of balances pertaining to trade receivables and payables, loans and advances and capital advances is an ongoing process. As regards the outstanding trade receivables, loans and advances and capital advances, the significant portion of these are independently verified and the company is of the opinion that the same are fully recoverable and consequential adjustments and provisioning, if any, are not likely to be material given the nature and size of its operation.
2. In the absence of any possibility of taxable profits in the near future, the company has not provided for Deferred Tax Asset as per Ind AS-12. The company is not recognizing deferred tax assets in respect of huge unabsorbed depreciation and carried forward losses and

other deferred tax assets as there is no certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3. The company had raised invoice claims on Lamb Weston Inc. amounting to Rs.12.17 lacs during earlier years towards renting of cold storage, testing charges, custom duty and freight charges which are outstanding as at March 31, 2022. These amounts are recoverable in foreign currency and are doubtful of recovery. Accordingly, provision for these amounts had already been made in these accounts in 1997-98.

| | | | |
|----|---|-------------|--------------------|
| 5. | Disclosure pursuant to Ind AS -37: | Rs. In lacs | |
| | Provisions for doubtful debts | Debtors | Loans and Advances |
| | Opening balance as on 01.04.21 | 5.47 | 6.71 |
| | Provided /Utilised/Reversed during the year | NIL | NIL |
| | Closing balance as on 31.03.2022 | 5.47 | 6.71 |

6. The company has not received any intimation from all the suppliers regarding their status under the Micro, Small and Medium Enterprises Act. 2006. There is a micro and small enterprises to whom the Company owes dues, which is outstanding for more than 45 days as at 31st March, 2022. The above information pertaining to micro and small enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.

7. In respect of Ind AS 108 on “Operating Segments”, the Company is a single segment Company dealing in fresh, frozen and canned foods in accordance with the criteria for identification of reportable segment specified in the said standard.

8. Earnings per share

| Particulars | | 2021-22 (Rs. In lacs) | 2020-21 (Rs. In lacs) |
|---|------|----------------------------------|----------------------------------|
| Numerator | | | |
| Net profit/ (Loss) before Exceptional Items | | (44.50) | (23.68) |
| Net profit/ (loss) After Exceptional Items | | (44.50) | (23.68) |
| Net profit/ (loss) after Other comprehensive income | | (42.95) | (21.62) |
| Denominator | | | |
| Weighted average Equity Shares | Nos. | 15364120 | 15364120 |
| Basic and Diluted EPS (face value of Rs. 10/- each) | | | |
| Before Exceptional Items | | (0.29) | (0.15) |

| | | | |
|-------------------------|--|--------|--------|
| After Exceptional Items | | (0.29) | (0.15) |
| | | | |

9. The net worth of the company is negative as at the Balance Sheet date. However accounts of the company have been prepared on going concern basis since the company is taking necessary steps for its revival. In case the company is unable to continue as going concern in future, the resultant adjustments, if any are presently not ascertainable.
10. Liabilities recognized in the Balance Sheet as on 31st March, 2022 with respect to gratuity is Rs. 8.34 Lacs (Previous year Rs. 8.75 lacs) and with respect to leave encashment/entitlements Rs. 0.74 Lacs (Previous Year Rs. 0.68 lacs) as per the Actuarial Valuation. The following table set out the status of the Gratuity plan as required under IndAS-19. Reconciliation of the opening and closing value of the defined benefit obligation-

| | | GRATUITY PLAN | | LEAVE ENCASHMENT | |
|---------|---|----------------------|----------------------|----------------------|----------------------|
| Sr. No. | Components of Employers Expenses | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| 1. | Current Service Cost | 48,841 | 66,027 | 6,407 | 9,724 |
| 2. | Interest Cost | 59,565 | 74,828 | 4,610 | 9,102 |
| 3. | Net Actuarial (gain)/ loss recognized in the period | (1,49,892) | (1,34,549) | (5,225) | (71,552) |
| 4. | Expenses Recognized in the statement of Profit & Loss | 1,08,406 | 1,40,855 | 5,792 | (52,726) |
| | | | | | |
| Sr. No. | Net Assets/ (Liability) recognized in Balance Sheet | 2022 | 2021 | 2022 | 2021 |
| 1. | Present Value of defined Benefit obligation | 8,34,469 | 8,75,955 | 73,589 | 67,797 |
| 2. | Fair Value of Plan Assets | -- | -- | -- | -- |
| 3. | Status {(Deficit)/ Surplus} | (8,34,469) | (8,75,955) | (73,589) | (67,797) |
| 4. | Net Asset/ (Liability) recognized in Balance Sheet | (8,34,469) | (8,75,955) | (73,589) | (67,797) |

| | | | | | |
|---------|--|-------------------|-------------------|-----------------|-----------------|
| a. | Current | (1,11,932) | (1,09,647) | (9,742) | (8,379) |
| b. | Non- Current | (7,22,537) | (7,66,308) | (63,847) | (59,418) |
| | | | | | |
| Sr. No. | Change in Present Value of Obligations during the Year | 2022 | 2021 | 2022 | 2021 |
| 1. | Present Value of the Obligation at the Beginning of the Year | 8,75,955 | 1,100,412 | 67,797 | 1,33,856 |
| 2. | Current Service Cost | 48,434 | 66,027 | 6,407 | 9,724 |
| 3. | Interest Cost | 60,249 | 74,828 | 4,610 | 9,102 |
| 4. | Curtailment Cost/(Credit) | -- | -- | -- | -- |
| 5. | Settlement Cost/(Credit) | -- | -- | -- | -- |
| 6. | Plan Amendments | -- | -- | -- | -- |
| 7. | Acquisitions | -- | -- | -- | -- |
| 8. | Actuarial (Gains)/Losses | (149,892) | (134,549) | (5,225) | (71,552) |
| 9. | Benefits paid | -- | (2,30,763) | -- | (13,333) |
| 10. | Present Value of Obligation at the END of the Year | 8,34,469 | 8,75,955 | 73,589 | 67,797 |
| | | | | | |
| Sr. No. | Change in Fair Value of Assets | N.A. | N.A. | N.A. | N.A. |
| | | | | | |
| Sr. No. | Actuarial Assumptions | 2022 | 2021 | 2022 | 2021 |
| 1. | Discount Rate | 6.80% | 6.80% | 6.80% | 6.80% |
| 2. | Rate of Increase in Compensation Levels | 10% | 10% | 10% | 10% |
| | | | | | |
| Sr. No. | Major category of Plan Assets | N.A. | N.A. | N.A. | N.A. |
| | | | | | |

12. The cold store building had suffered damages due to earthquake in March, 1999. The building requires major repairs in insulation and RCC works has to be repaired and substantial insulation will have to be re-done. The company had filed insurance claim with the National Insurance Co. in 2001 which remains unsettled till date.

13. The Company suffered loss on account of deterioration of stocks arising out of break down in Generating set and earthquake damages to the cold store building. Company had filed insurance claim with National Insurance Co. in 2001 for deterioration of stocks, machinery break down, for generator set and cold store building which are all pending till date.
14. The company has filed a case in Delhi High Court in 2004 for losses on account of damages to the cold store, deterioration of stocks, machinery break down. The case has been admitted and the evidences are being taken up.
15. As of now, the company has only Unsecured Loans taken from the Directors and Related Parties.

16.

| | 2021-22 | 2020-21 |
|--|-----------------|-----------------|
| VALUE OF IMPORTS ON CIF BASIS ON RAW MATERIAL, COMPONENTS , SPARE PARTS AND CAPITAL GOODS | NIL | NIL |
| PAYMENT TO AUDITORS AS: | | |
| STATUTORY AUDIT FEES | 90,000 | 90,000 |
| TAX AUDIT FEES | 20,000 | 20,000 |
| COST AUDIT FEES | NIL | NIL |
| INTERNAL AUDIT FEES | 10,000 | 10,000 |
| SECRETARIAL AUDIT FEES | 20,000 | 20,000 |
| OTHER REIMBURSEMENTS | -- | -- |
| TOTAL AUDIT PAYMENTS | 1,40,000 | 1,40,000 |
| EXPENDITURE IN FOREIGN CURRENCY ON ROYALTY, KNOWHOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST AND OTHER MATTERS | NIL | NIL |
| AMOUNT REMITTED IN FOREIGN CURRENCY ON DIVIDEND | NIL | NIL |
| EARNINGS IN FOREIGN CURRENCY ON ROYALTY, KNOWHOW, PROFESSIONAL AND CONSULTATION FEES, INTEREST AND OTHER MATTERS | NIL | NIL |

17. Due to this Pandemic COVID-19, there was an adverse impact on the sales of the company as the major business clients of the company include Hotels and Restaurants, Caterers etc. which operated at a very low scale during the whole year.
18. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.