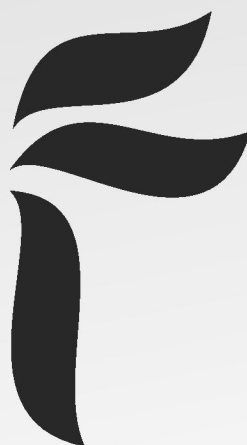


TARAI FOODS LIMITED



Tarai

**29TH
ANNUAL REPORT
2018 - 2019**

TARAI FOODS LIMITED

Board of Directors	Mr. Gurprit Singh Sandhu	(Managing Director)
	Mrs. Kiran Sandhu	(Director)
	Dr. R. P. Singh	(Executive whole time Director)
	Mr. Lilanshu Arora	(Director)
	Mr. Ashwinin Kumar Pandey	(Director)
	Mr. Hakam Singh	(Director)

Audit Committee, Nomination & Remuneration Committee Stakeholder Relationship Committee	Mrs. Kiran Sandhu
	Mr. Ashwinin Kumar Pandey
	Mr. Hakam Singh
	Mr. Ganesh Kumar

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

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

Share Transfer Agent	Beetal Financial & Computer Ser vices (P) Ltd.
	99, Madangir, Beetal House
	Behind Local Shopping Centre
	Near Dada Harsukhdas Mandir
	New Delhi-110062
	Tel. : 29961281/2

ISIN No.	INE906C01016
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CIN No.	L15142DL1990PLC039291
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Email :	taraifoods@gmail.com
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Website :	www.taraifoods.com
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Tarai Foods Limited

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

E-mail : grvnecs.tfl@gmail.com | website : www.taraifoods.com | CIN NO.: L15142DL 1990 PLC 039291

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report, together with the audited statement of accounts of the Company for the year ended 31st March, 2019.

1. Statement of Company Affairs:

a. Financial Results & Performance:

The performance of the Company for the financial year ended 31st March, 2019 is summarized below:

Particulars	Financial Year ended 31 st March, 2019 (Rs. In Lacs)	Financial Year ended 31 st March, 2018 (Rs. In Lacs)
Gross Revenue	249.0	214.7
Less: Total Expenditure	(262.3)	(235.5)
Profit/(Loss) before Exceptional/ Extraordinary Items and Tax	(13.3)	(20.8)
-Exceptional Items	0.1	7.06
-Extraordinary Items	2874.1	-
-Profit/(Loss) before tax	2860.9	(13.7)
Tax Expenses	-	-
Profit/(Loss) for the period	2860.9	(13.7)
Other Comprehensive Income	0.8	.6
Total Comprehensive Income for the Period	2861.7	(13.1)

The Company was in its twenty Ninth year of operations. During the year under review, the Gross revenue increased to Rs. 249.0 Lacs as compared to Rs. 214.7 Lacs in the previous year. Further, the Company earned net Profit (after Tax) of Rs. 2861.7 lacs as compared to a loss of Rs. 13.1 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.

Adoption of Indian Accounting Standards ("IND AS")

The Company has adopted Indian Accounting Standards ("Ind AS") and accordingly these financial statements have been prepared in accordance with the same as required under section 133 of the Companies Act, 2013 read with rules made there under. The date of transition to Ind AS is 1st April, 2017. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been reinstated accordingly.

Transfer to Reserves:

The company has not transferred any amount to General Reserve of the Company during the financial year under review. The Company has created a capital reserve of Rs. 79.25 lacs during the year under review.

Dividend:

To conserve the resources of the Company, no dividend is recommended on the equity shares of the Company for the year ended 31st March, 2019.

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.

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

Processed Foods

• **Fresh Mushrooms**

• **Frozen Sweet Corn**

• **Mushroom Spawn**

	Product-wise performance			
	Sale of Finished Goods			
Description	Current Year 2018-19		Previous Year 2017-18	
	Qty. (in MTs)	Value (in Rs. In lacs)	Qty. (in MTs)	Value (in Rs. In Lacs)
Fresh Mushrooms	186.16	230	170.57	193.87
Mushroom Spawn	4.26	5.56	5.94	7.44
Compost for Mushroom	57.56	3.75	87.57	2.92

The company has completely diversified in Mushroom growing in artificially controlled temperature setting. It has been successful in creating capacities of ½ ton a day for Mushroom and is hopeful of expanding it to 1 ton a day in near future.

(iv) Outlook:

Food 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 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.

(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 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 2019, the total numbers of permanent employees in the Company were 13.

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:

The company was continuously approaching the Financial Institution and Bank for One Time Settlement of the loan account, both the financial institution and bank have approved the OTS scheme during the year and the loan accounts have been settled and paid except for the last instalment of Rs. 25 Lakhs. Due to this there was a significant change in the financial ratios in the current financial year as

under:

Particular	FY 2018-19	FY 2017-18
Debt Equity Ratio	(270.98)	(106.58)
Asset Proprietary Ratio	(28.79)	(797.24)

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

Since the company settled its long terms dues in the current 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 year and resultantly, there was a substantial change in the Return on Networth.

- (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).

- a. Key Changes during the year:

1. **Changes in the Nature of business:** NIL

2. **Changes during the year in Directors and KMP:**

- a. Mr. Ashwini Kumar Pandey (DIN: 08198711) was appointed as an Additional Director in capacity on Independent Director w.e.f. 14th August, 2018 to hold office for a period of 5 year upto 13th August, 2023.
- b. Mr. Melvinder Singh Grewal (DIN: 06525633) resigned from the directorship of the Company with effect from 14th August, 2018.
- c. Mr. Hakam Singh Saini (DIN: 06786586) was re-appointment as an Independent Director to hold office for a period of 5 Year w.e.f. 01st April, 2019. Further Mr. Hakam Singh (DIN: 06786586) resigned from the Directorship of the Company w.e.f. 14th August, 2019.
- d. Mr. Lilanshu Arora (DIN: 07187329) was appointed as an Additional Director in Capacity on Independent Director to hold office for a period of 5 Year w.e.f. 1st April, 2019.
- e. Mr. Ganesh Kumar (DIN: 07722602) resigned from the directorship of the Company w.e.f. 30th March, 2019. Further Mr. Ganesh Kumar (DIN: 07722602) was appointed as an Additional Director in Capacity on Independent Director to hold office for a Period of 5 years w.e.f. 14th August, 2019.
- f. Ms. Arti Verma was appointed as the Company Secretary of the Company w.e.f. 10th January, 2019 as a whole time Key managerial Personnel of the Company.

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:**

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. During the year under review, your company negotiated with Financial Institutions and Banks for One Time Settlement (OTS), which was settled and your company has settled with the bank in full as per the agreed terms & conditions. During the year under review, the Company paid a fine of Rs. 1,08,560/- to Bombay Stock Exchange for non-appointment of Company secretary in the Company.

1. **Directors:**

The Board of Directors of the Company is duly constituted as on Date of this Report:

- a. **Composition and Meetings of the Board:**

The Board Comprises of Mr. G.S Sandhu, Mrs. Kiran Sandhu, Mr. Ram Pyare Singh, Mr. Ganesh Kumar, Mr. Lilanshu Arora and Mr. Aswini Kumar Pandey as on date of this report. The meetings of Board of directors were duly held Six times on 30/05/2018, 14/08/2018, 14/11/2018, 10/01/2019, 14/02/2019 and 30/03/2019 in respect of which 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 directors who attended the 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. The Audit Committee comprises of Mr. Lilanshu Arora, Mrs. Kiran Sandhu, Mr. Ganesh Kumar and Mr. Ashwini Kumar Pandey as the members of the Committee. The Audit Committee duly met Four (4) times on 30/05/2018, 14/08/2018, 14/11/2018 and 14/02/2019 during the financial year. The details of the Members who attended the meetings 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, Mrs. Kiran Sandhu, Mr. Ganesh Kumar and Mr. Ashwini Kumar Pandey as the members of the Committee. The Nomination and Remuneration Committee duly met Three (3) times on 14/08/2018, 10/01/2019 & 30/03/2019 during the financial year. The details of the Members who attended the meetings 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, Mrs. Kiran Sandhu, Mr. Ganesh Kumar and Mr. Ashwini Kumar Pandey as the members of the Committee. The Stakeholder Relationship Committee duly met One Time on 30/03/2019 during the Financial Year. The details of the Members who attended the meetings 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, the Independent Directors of the Company met once on 30th March 2019.

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 annexed as **Annexure-1**.

2. 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 for the Financial Year 2018-19. The secretarial audit report as required under section 204 of the Companies Act, 2013 is annexed as **Annexure 2** and forms part of this report.

Board's explanation & Comments:

The Company is taking necessary steps for making 100% promoter's shareholding in demat form.

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.

3. Annual Return:

The extract of Annual return as provided under sub-section (3) of Section 92 is annexed as **Annexure 3** and forms part of this report.

4. 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. Lilanshu Arora, Chairman of the Audit Committee of the Company who shall after hearing the concerned person award appropriate punishment to the offender.

5. **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.

6. **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.

7. **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.

8. **Corporate Social Responsibility:**

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

9. **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.

10. **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.

11. **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.

12. **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 4** and forms part of this report.

13. **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 5** to this report.

14. **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.

15. **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.

16. **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.

17. **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.

18. 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.

19. 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.

20. STOCK EXCHANGE LISTING

The shares of the Company are listed on BSE Limited (BSE). The listing fee for the financial year 2019-20 has been paid to BSE.

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.

By Order of the Board
Tarai Foods Limited

Place: Rudrapur
Date: 14.08.2019

Sd/-
Mr. G.S. Sandhu
Chairman
DIN: 00053527
Address: 118, Madan Lal Block,
Asian Games Village,
New Delhi- 110049.

REMUNERATION POLICY Effective from 1st October, 2014.**(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:****1. Qualifications of Independent Director:**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

2. Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees in General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year; the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non Executive Directors/Independent Directors:

NEDs/Independent Directors shall not be paid sitting fees for any meeting of the board or committee thereof attended by them as members.

The company has no stock options plans and no payment by way of commission, bonus, pension, incentives etc. shall be made.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

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, 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2019, 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, 2009; **(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 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 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:

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.

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